



**STATE OF ILLINOIS
HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33**

**FINANCIAL AUDIT
(In Accordance with the Uniform Guidance)
For the Year Ended June 30, 2021**

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

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33**

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REGIONAL OFFICE OF EDUCATION NO. 33**

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**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
OFFICIALS**

Regional Superintendent
(current and during the audit period)

Ms. Jodi Scott

Assistant Regional Superintendent
(current and during the audit period)

Ms. Lori Loving

Offices are located at:

105 North E Street
Monmouth, Illinois 61462

121 S. Prairie Street
Galesburg, Illinois 61401

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
COMPLIANCE REPORT SUMMARY**

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

AUDITOR’S REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	4	5
Repeated audit findings	3	3
Prior recommendations implemented or not repeated	2	1

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>Findings (Government Auditing Standards)</i>			
2021-001	14	Inadequate Internal Control Procedures	Material Weakness
2021-002	16	Controls over Financial Statement Preparation	Material Weakness
2021-003	18	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency
2021-004	20	Delay of Audit	Noncompliance

Findings and Questioned Costs (Federal Compliance)

None

Prior Audit Findings not Repeated (Government Auditing Standards)

2020-002	28	Inadequate Controls Over Capital Assets	Significant Deficiency
2020-003	28	Uninsured and Uncollateralized Deposits	Significant Deficiency

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
COMPLIANCE REPORT SUMMARY – (CONCLUDED)**

**SUMMARY OF FINDINGS AND QUESTIONED COSTS
(Concluded)**

Prior Audit Findings not Repeated (Federal Compliance)

2020-001	28	Inadequate Internal Control Procedures	Material Weakness and Noncompliance
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on March 24, 2022. Attending from the Regional Office of Education No. 33 were Jodi Scott, Regional Superintendent; Lori Loving, Assistant Regional Superintendent; Julie Lant, Bookkeeper/Payroll, Annie Fancher, Bookkeeper/Property, and Becky Blake, Bookkeeper/Receivables and Payables; and from Adelfia LLC were Maria Divina Valera, Stella Marie Santos, and Jennifer Roan, Partners. Responses to the recommendations were provided by Jodi Scott, Regional Superintendent, on July 6, 2022. The Regional Office did not request a formal exit conference at this time.

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33 was performed by Adelfia LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's basic financial statements.



INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability & 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 & Schedule of Employer Contributions, Teacher Health Insurance Security Fund – Schedule of the Employer’s Proportionate Share of the Collective Net Other Postemployment Benefit Liability & Schedule of Employer Contributions, and Western Area School Health Benefit Plan – Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 83 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2022 on our consideration of the Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33'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 Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33'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 Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
July 22, 2022



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33’s basic financial statements, and have issued our report thereon dated July 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33’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 Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33’s internal control. Accordingly, we do not express an opinion on the effectiveness of Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33’s internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent,

or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2021-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2021-004.

Regional Office of Education No. 33's Responses to Findings

Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33'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 Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33'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 Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
July 22, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Regional Office of Education No. 33's major federal programs for the year ended June 30, 2021. The Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Henderson, Knox, Mercer, and Warren Counties

Regional Office of Education No. 33's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's compliance.

Opinion on Each Major Federal Program

In our opinion, the Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify

any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois

July 22, 2022

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 SECTION I – SUMMARY OF AUDITOR’S RESULTS
 For the Year Ended June 30, 2021**

Financial Statements in accordance with GAAP

Type of auditor’s report issued: *Unmodified*

Internal control over financial reporting:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major federal programs:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified? yes none reported

Type of auditor’s report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major federal programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.287C	Twenty-First Century Community Learning Centers

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-001 - Inadequate Internal Control Procedures (Partial Repeat from Findings 20-001, 19-001, 18-002, 17-002, and 16-002)

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Superintendent of Schools is responsible for establishing and maintaining an internal control system over accounting transactions to prevent errors and fraud.

CONDITION:

Auditors noted the following weaknesses in the Regional Office's internal control system for which there were no mitigating controls:

- A. No documented evidence of independent review of completed bank reconciliations. In addition, we noted that in 2 bank accounts, monthly reconciliations were not performed timely for 12 out of 12 months (100%). 24 of 24 (100%) monthly bank reconciliations were reconciled more than 30 days after month-end (19 to 292 days late).
- B. We noted 10 of 40 receipts tested (25%), totaling \$121,792, were not timely deposited, ranging from 9 to 29 days late.

EFFECT:

Lack of sufficient internal controls over the financial processes of the Regional Office of Education No. 33 could result in unintentional or intentional errors or misappropriations of assets which could be material to the financial statements and may not be detected in a timely manner by employees or management in the normal course of performing their assigned duties. Failure to ensure the timely deposit of cash receipts could result in a compromise of internal controls, increase the risk of potential loss, and loss of interest income.

CAUSE:

The Regional Office of Education No. 33 officials indicated employee resignation, staff transition, and competing priorities resulted in the conditions noted above.

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-001 - Inadequate Internal Control Procedures (Partial Repeat from Findings 20-001, 19-001, 18-002, 17-002, and 16-002) (Concluded)

RECOMMENDATION:

The Regional Office of Education No. 33 should have an individual, independent of the general ledger processes, review the bank reconciliation to ensure timely completion and agreement to the general ledger. This review should be documented. The Regional Office should implement controls and maintain adequate documentation to ensure cash receipts are deposited in a timely manner.

MANAGEMENT'S RESPONSE:

The Regional Office of Education No. 33 will have an individual, independent of the general ledger processes, review the bank reconciliation to ensure timely completion and agreement to the general ledger. He/she will document the review. The Regional Office of Education No. 33 will also implement controls and maintain adequate documentation to ensure cash receipts are deposited in a timely manner.

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-002 – Controls Over Financial Statement Preparation

CRITERIA/SPECIFIC REQUIREMENT:

105 ILCS 5/2-3.17a allows a Regional Office of Education or Educational Service Center to utilize a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for audit. The Henderson, Knox, Mercer, and Warren Regional Office of Education No. 33 (ROE) has chosen to utilize the GAAP basis of accounting for financial statement reporting.

ROE No. 33 is required to maintain a system of controls over the preparation of financial statements. 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 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 the accrual basis of accounting for entity wide financial statements and business-type activities. The accrual basis of accounting requires the recognition of revenues, expenses, assets, liabilities, deferred inflows of resources, and deferred outflows of resources in the accounting period they are earned or incurred.

CONDITION:

The Regional Office of Education No. 33 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office maintains controls over the processing of most accounting transactions, 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 our review of subsequent collections, we noted a receipt totaling \$45,100 for professional development courses rendered in fiscal year 2021 received in July 2021 was not reported in the proprietary fund and government-wide financial statements prepared by the ROE. This required a material adjustment to the financial statements.

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-002 – Controls Over Financial Statement Preparation (Concluded)

EFFECT:

Failure to perform proper cut-off procedures resulted in inaccurate and incomplete financial statements. The ROE No. 33 understated revenues and assets by \$45,100 in the financial statements.

CAUSE:

The ROE management indicated this was an oversight.

RECOMMENDATION:

The Regional Office of Education No. 33 should establish procedures to ensure that financial statements be carefully reviewed for proper accounting and reporting in accordance with generally accepted accounting principles (GAAP). Year-end cut-off entries for accruals should be reviewed to ensure they are complete and are charged to the proper account and correct fiscal year.

Additionally, ROE management should determine if changing from the GAAP basis to the cash or modified cash basis of accounting would be allowable or beneficial to the ROE and users of the ROE statements.

MANAGEMENT'S RESPONSE:

The Regional Office of Education No. 33 will establish procedures to ensure that financial statements be carefully reviewed for proper accounting and reporting in accordance with generally accepted accounting principles (GAAP). Year-end cut-off entries for accrual will be reevaluated to ensure they are complete and are charged to the proper account and correct fiscal year.

The Regional Office of Education No. 33 intends to change from the GAAP basis to the cash basis of accounting beginning July 1, 2021. The Regional Office of Education No. 33 has retained the accounting firm who prepared the Fiscal Year 2021 financial statements for Fiscal Year 2022 for the transition.

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-003 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-004)

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Office of Education No. 33 is responsible for the design, implementation, and maintenance of internal controls, including the controls that are outsourced to service providers, related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced.

Generally accepted information technology guidance endorses the review and assessment of internal controls related to information systems and operations to assure the accurate processing and security of information.

CONDITION:

As part of the audit process, we requested the Regional Office of Education No. 33 to provide a population of the service providers utilized. The Regional Office of Education No. 33 was able to identify service providers that provided various hosting and backup services for the Regional Office of Education No. 33.

During testing, the auditors noted the Regional Office of Education No. 33 had not:

- Developed a formal process for obtaining the Service Organization Controls (SOC) reports from the service providers and related subservice organization or performing alternative procedures to determine the impact of such services on its internal control environment prior to signing an agreement with the service provider.
- Documented its review of each of the SOC reports, or performed alternative procedures, to evaluate any issues relevant to the Regional Office of Education No. 33's internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 33's operations.

EFFECT:

Without having obtained and reviewed a SOC report or another form of independent internal controls review, the Regional Office of Education No. 33 does not have assurance the external service provider's and its subservice organization's internal controls are adequate.

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-003 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-004) (Concluded)

CAUSE:

The Regional Office of Education No. 33 officials indicated they understand the importance of a formal process to monitor service providers and did not realize the current process did not address all the issues noted.

RECOMMENDATION:

We recommend the Regional Office of Education No. 33 continue to identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 33 should:

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems including services provided by subservice organizations, prior to signing agreements with the providers and annually thereafter.
- Document its review of the SOC reports or perform alternative procedures to evaluate all significant issues to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 33, and any compensating controls.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 33's operations.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

MANAGEMENT'S RESPONSE:

The Regional Office of Education No.33 will continue to identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 33 will:

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems including services provided by subservice organizations, prior to signing agreements with the providers and annually thereafter.
- Document its review of the SOC reports or perform alternative procedures to evaluate all significant issues to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 33, and any compensating controls.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 33's operations.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-004 - Delay of Audit (Repeat from Findings 20-005, 19-003 and 18-004)

CRITERIA/SPECIFIC REQUIREMENT:

Regional Office of Education No. 33 (ROE) is subject to 105 ILCS 5/2-3.17a which requires the Auditor General's office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody, or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Government Auditing Standards. The ROE may utilize a cash basis, modified cash basis, or GAAP basis of accounting to prepare the financial statements for audit. The ROE has chosen the GAAP basis of accounting for financial reporting.

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

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

CONDITION:

The Regional Office of Education No. 33 did not provide completed financial statements in an auditable form by the August 31 deadline. The financial statements were provided on November 12, 2021.

EFFECT:

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

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

**FINDING 2021-004 - Delay of Audit (Repeat from Findings 20-005, 19-003 and 18-004)
(Concluded)**

CAUSE:

The Regional Office of Education No. 33 officials indicated competing priorities resulted in the delay in the preparation of Fiscal Year 2021 financial statements.

RECOMMENDATION:

The Regional Office of Education No. 33 should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). Additionally, ROE should determine if changing to the cash basis would be allowable and beneficial to the Regional Office of Education No. 33 and the users of its financial statements. Financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31 deadline.

MANAGEMENT'S RESPONSE:

The Regional Office of Education No. 33 will implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). Additionally, Regional Office of Education No. 33 has been given the authority to switch over to the cash basis of accounting and is planning to do so beginning July 1, 2021. Fiscal Year 2022 financial statements will be presented to the Auditor General's independent auditors for audit by the August 31 deadline.

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
For the Year Ended June 30, 2021**

INSTANCES OF NONCOMPLIANCE:

None

SIGNIFICANT DEFICIENCIES:

None

MATERIAL WEAKNESSES:

None

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2021**

Corrective Action Plan

FINDING 2021-001 - Inadequate Internal Control Procedures (Partial Repeat from Findings 20-001, 19-001, 18-002, 17-002, and 16-002)

CONDITION:

Auditors noted the following weaknesses in the Regional Office's internal control system for which there were no mitigating controls:

- A. No documented evidence of independent review of completed bank reconciliations. In addition, we noted that in 2 bank accounts, monthly reconciliations were not performed timely for 12 out of 12 months (100%). 24 of 24 (100%) monthly bank reconciliations were reconciled more than 30 days after month-end (19 to 292 days late).
- B. We noted 10 of 40 receipts tested (25%), totaling \$121,792, were not timely deposited, ranging from 9 to 29 days late.

PLAN:

The Regional Office of Education (ROE) No. 33 hires an outside consultant, to reconcile bank accounts each month. After the outside consultant completes the reconciliations, the ROE No. 33 bookkeeper rechecks and submits all documentation to the Regional Superintendent for approval. Beginning June 2020, the Regional Office found balancing problems in the SDS software program caused by the conversion from the old system to the new. In November of 2021 there were more issues found in the cash and default cash accounts that had to be corrected by SDS.

Due to our outside bookkeeping account reconciliation person not fulfilling the ROE's expectations for deadlines, the ROE No. 33 will have bookkeeping training with SDS for account reconciliations. The ROE No. 33 will appoint one individual from the bookkeeping staff, independent of the general ledger processes who will be taking over bank reconciliations beginning FY22. This person will review, perform, and document the reconciliations in a timely manner. He/she will also be responsible for submitting all documentation to the Regional Superintendent for approval.

ANTICIPATED DATE OF COMPLETION:

Monthly, Quarterly or Annually

CONTACT PERSON:

Ms. Jodi Scott, Regional Superintendent of Schools

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2021**

Corrective Action Plan (Continued)

FINDING 2021-002 – Controls over Financial Statement Preparation

CONDITION:

The Regional Office of Education No. 33 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office maintains controls over the processing of most accounting transactions, 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 our review of subsequent collections, we noted a receipt totaling \$45,100 for professional development courses rendered in fiscal year 2021 received in July 2021 was not reported in the proprietary fund and government-wide financial statements prepared by the ROE. This required a material adjustment to the financial statements.

PLAN:

The Regional Office of Education No. 33 has established procedures to ensure that financial statements are carefully reviewed for proper accounting and reporting in accordance with generally accepted accounting principles (GAAP). However, the Regional Office of Education No. 33 has announced beginning July 1, 2021, they will be switching to the cash basis of accounting.

The Regional Office of Education No. 33 has procedures in place for year-end planning and cut-offs to enter accrued expenses/receipts. The Regional Office of Education No. 33 will be following the cash basis of accounting beginning July 1, 2021.

ANTICIPATED DATE OF COMPLETION:

June 30, 2022

CONTACT PERSON:

Ms. Jodi Scott, Regional Superintendent of Schools

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2021**

Corrective Action Plan (Continued)

FINDING 2021-003 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-004)

CONDITION:

As part of the audit process, we requested the Regional Office of Education No. 33 to provide a population of the service providers utilized. The Regional Office of Education No. 33 was able to identify service providers that provided various hosting and backup services for the Regional Office of Education No. 33.

During testing, the auditors noted the Regional Office of Education No. 33 had not:

- Developed a formal process for obtaining the Service Organization Controls (SOC) reports from the service providers and related subservice organization or performing alternative procedures to determine the impact of such services on its internal control environment prior to signing an agreement with the service provider.
- Documented its review of each of the SOC reports, or performed alternative procedures, to evaluate any issues relevant to the Regional Office of Education No. 33's internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 33's operations.

PLAN:

Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems including services provided by subservice organizations, prior to signing agreements with the providers and annually thereafter.

Document its review of the SOC reports or perform alternative procedures to evaluate all significant issues to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 33, and any compensating controls.

Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 33's operations.

Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2021**

Corrective Action Plan (Continued)

FINDING 2021-003 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-004)

ANTICIPATED DATE OF COMPLETION:

June 30, 2022

CONTACT PERSON:

Ms. Jodi Scott, Regional Superintendent of Schools

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2021**

Corrective Action Plan (Concluded)

FINDING 2021-004 - Delay of Audit (Repeat from Findings 20-005, 19-003 and 18-004)

CONDITION:

The Regional Office of Education No. 33 did not provide completed financial statements in an auditable form by the August 31 deadline. The financial statements were provided on November 12, 2021.

PLAN:

The Regional Office of Education No. 33 will implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). The Regional Office of Education No. 33's FY22 Annual financial statements will be compiled on a cash basis of accounting beginning July 1, 2021. These financial statements will be presented to the Auditor General's independent auditors for audit by the August 31 deadline.

ANTICIPATED DATE OF COMPLETION:

August 31, 2022

CONTACT PERSON:

Ms. Jodi Scott, Regional Superintendent of Schools

**HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2021**

2020-001	Inadequate Internal Control Procedures (Federal Compliance)	Not Repeated
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During the current audit, the Regional Office of Education No. 33 implemented corrective action and expenditure reports are submitted during the grantors due date.

2020-002	Inadequate Controls Over Capital Assets	Not Repeated
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During the current audit, the Regional Office of Education No. 33 implemented corrective action and capital assets were tagged, accurately maintained, and reconciled to the capital asset listing used in financial statement preparation.

2020-003	Uninsured and Uncollateralized Deposits	Not Repeated
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During the current audit, the Regional Office of Education No. 33 implemented corrective action and secured sufficient pledged collateral for balances held with financial institutions.

BASIC FINANCIAL STATEMENTS

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 4,572,080	\$ 482,330	\$ 5,054,410
Accounts receivable	10,000	-	10,000
Due from other governments	587,927	45,100	633,027
Total Current Assets	<u>5,170,007</u>	<u>527,430</u>	<u>5,697,437</u>
Noncurrent Assets:			
Capital assets, net of depreciation	261,923	90	262,013
Net pension asset	72,861	-	72,861
Total Noncurrent Assets	<u>334,784</u>	<u>90</u>	<u>334,874</u>
TOTAL ASSETS	<u>5,504,791</u>	<u>527,520</u>	<u>6,032,311</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	456,280	-	456,280
Deferred outflows related to OPEB	237,291	29,108	266,399
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>693,571</u>	<u>29,108</u>	<u>722,679</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	40,394	2,802	43,196
Accrued expenses	186,425	115	186,540
Due to other governments	1,493,484	1,384	1,494,868
Unearned revenue	532,361	-	532,361
Total Current Liabilities	<u>2,252,664</u>	<u>4,301</u>	<u>2,256,965</u>
Noncurrent Liabilities:			
Net pension liability	69,278	-	69,278
OPEB liability	1,016,422	78,822	1,095,244
Total Noncurrent Liabilities	<u>1,085,700</u>	<u>78,822</u>	<u>1,164,522</u>
TOTAL LIABILITIES	<u>3,338,364</u>	<u>83,123</u>	<u>3,421,487</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	623,348	-	623,348
Deferred inflows related to OPEB	120,603	15,120	135,723
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>743,951</u>	<u>15,120</u>	<u>759,071</u>
NET POSITION			
Net investment in capital assets	261,923	90	262,013
Restricted-other	311,464	-	311,464
Unrestricted	1,542,660	458,295	2,000,955
TOTAL NET POSITION	<u>\$ 2,116,047</u>	<u>\$ 458,385</u>	<u>\$ 2,574,432</u>

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
Instructional Services:						
Salaries and benefits	\$ 3,690,365	\$ 24,565	\$ 3,010,199	\$ (655,601)	\$ -	\$ (655,601)
Pension expense	39,736	1,498	160,544	122,306	-	122,306
OPEB expense	196,053	-	-	(196,053)	-	(196,053)
Purchased services	537,177	2,097	449,523	(85,557)	-	(85,557)
Supplies and materials	649,041	1,797	618,094	(29,150)	-	(29,150)
Depreciation expense	54,210	-	-	(54,210)	-	(54,210)
Capital outlay	-	-	72,245	72,245	-	72,245
Intergovernmental:						
Payments to other governments	3,723,347	-	3,716,593	(6,754)	-	(6,754)
Administrative:						
On-behalf payments - State	898,840	-	-	(898,840)	-	(898,840)
Total Governmental Activities	9,788,769	29,957	8,027,198	(1,731,614)	-	(1,731,614)
Business-Type Activities:						
Fees for services	260,006	241,615	-	-	(18,391)	(18,391)
Total Business-Type Activities	260,006	241,615	-	-	(18,391)	(18,391)
TOTAL PRIMARY GOVERNMENT	\$ 10,048,775	\$ 271,572	\$ 8,027,198	(1,731,614)	\$ (18,391)	\$ (1,750,005)
GENERAL REVENUES:						
Local sources				528,127	-	528,127
State sources				652,011	-	652,011
On-behalf payments - State				898,840	-	898,840
Investment earnings				5,386	-	5,386
Total general revenues				2,084,364	-	2,084,364
CHANGE IN NET POSITION				352,750	(18,391)	334,359
NET POSITION - BEGINNING				1,763,297	476,776	2,240,073
NET POSITION - ENDING				\$ 2,116,047	\$ 458,385	\$ 2,574,432

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2021

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,433,760	\$ 1,931,794	\$ 206,526	\$ -	\$ 4,572,080
Due from other funds	153,468	-	-	(153,468)	-
Accounts receivable	10,000	-	-	-	10,000
Due from other governments	90,117	497,810	-	-	587,927
Total Assets	<u>2,687,345</u>	<u>2,429,604</u>	<u>206,526</u>	<u>(153,468)</u>	<u>5,170,007</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,687,345</u>	<u>\$ 2,429,604</u>	<u>\$ 206,526</u>	<u>\$ (153,468)</u>	<u>\$ 5,170,007</u>
LIABILITIES					
Accounts payable	\$ 989	\$ 39,405	\$ -	\$ -	\$ 40,394
Accrued expenses	7,616	178,779	30	-	186,425
Due to other funds	-	153,468	-	(153,468)	-
Due to other governments	-	1,493,484	-	-	1,493,484
Unearned revenue	-	532,361	-	-	532,361
Total Liabilities	<u>8,605</u>	<u>2,397,497</u>	<u>30</u>	<u>(153,468)</u>	<u>2,252,664</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	27,395	79,107	-	-	106,502
FUND BALANCE (DEFICIT)					
Restricted	-	23,822	206,496	-	230,318
Assigned	44,798	-	-	-	44,798
Unassigned	2,606,547	(70,822)	-	-	2,535,725
Total Fund Balance (Deficit)	<u>2,651,345</u>	<u>(47,000)</u>	<u>206,496</u>	<u>-</u>	<u>2,810,841</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)	<u>\$ 2,687,345</u>	<u>\$ 2,429,604</u>	<u>\$ 206,526</u>	<u>\$ (153,468)</u>	<u>\$ 5,170,007</u>

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 JUNE 30, 2021

TOTAL FUND BALANCE — GOVERNMENTAL FUNDS		\$ 2,810,841
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		261,923
<p>Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are therefore not considered "available" revenues and are deferred inflows of resources in the governmental funds.</p> <p style="padding-left: 20px;">Current year unavailable revenue</p>		106,502
<p>Non-current assets related to pension benefits are collected but are not payable in the current period and, therefore, are not reported in the governmental funds.</p> <p style="padding-left: 20px;">Net pension asset</p>		72,861
<p>Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:</p>		
Deferred outflows of resources - IMRF	\$ 391,518	
Deferred outflows of resources - TRS	64,762	
Deferred outflows of resources - THIS	237,291	
Deferred inflows of resources - IMRF	(321,025)	
Deferred inflows of resources - TRS	(302,323)	
Deferred inflows of resources - THIS	<u>(120,603)</u>	(50,380)
<p>Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p> <p style="padding-left: 20px;">TRS net pension liability</p>	<u>(69,278)</u>	(69,278)
<p>The OPEB obligations resulting from annual required contributions in excess of actual contributions are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p> <p style="padding-left: 20px;">Net OPEB liability - THIS</p> <p style="padding-left: 20px;">Total OPEB liability - WAS</p>	(628,739)	<u>(1,016,422)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 2,116,047</u>

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Education Fund	Nonmajor Revenue Funds	Special Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 346,601	\$ 193,354	\$ 29,087	\$ -	\$ 569,042
State sources	845,365	6,693,159	1,276	-	7,539,800
Federal sources	-	1,283,703	-	-	1,283,703
On-behalf payments - State	294,224	-	-	-	294,224
Investment earnings	5,386	-	-	-	5,386
Total Revenues	1,491,576	8,170,216	30,363	-	9,692,155
EXPENDITURES					
Instructional Services:					
Salaries and benefits	674,526	3,006,634	14,750	-	3,695,910
Pension expense	29,335	163,724	917	-	193,976
OPEB expense	828	3,713	-	-	4,541
Purchased services	89,019	446,959	1,199	-	537,177
Supplies and materials	31,686	616,255	1,100	-	649,041
Administrative:					
On-behalf payments - State	294,224	-	-	-	294,224
Intergovernmental:					
Payments to other governments	5,000	3,718,347	-	-	3,723,347
Capital outlay	6,339	68,566	-	-	74,905
Total Expenditures	1,130,957	8,024,198	17,966	-	9,173,121
NET CHANGE IN FUND BALANCE (DEFICIT)	360,619	146,018	12,397	-	519,034
FUND BALANCE (DEFICIT) - BEGINNING	2,290,726	(193,018)	194,099	-	2,291,807
FUND BALANCE (DEFICIT) - ENDING	\$ 2,651,345	\$ (47,000)	\$ 206,496	\$ -	\$ 2,810,841

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 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, 2021

NET CHANGE IN FUND BALANCE — GOVERNMENTAL FUNDS \$ 519,034

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

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

Capital outlay	\$ 74,905	
Depreciation expense	<u>(54,210)</u>	20,695

Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.

Current year unavailable revenue	106,502	
Prior year unavailable revenue	<u>(261,754)</u>	(155,252)

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 income (expense) - TRS	71,577	
Pension income (expense) - IMRF	82,663	
OPEB income (expense) - THIS	(40,035)	
OPEB income (expense) - WAS	<u>(145,932)</u>	<u>(31,727)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 352,750

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		TOTALS
	Major		
	Professional Development - Consortium	Nonmajor Proprietary Funds	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 387,963	\$ 94,367	\$ 482,330
Due from other governments	45,100	-	45,100
Total current assets	<u>433,063</u>	<u>94,367</u>	<u>527,430</u>
Noncurrent assets:			
Capital assets, being depreciated, net	90	-	90
TOTAL ASSETS	<u>433,153</u>	<u>94,367</u>	<u>527,520</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	29,108	-	29,108
LIABILITIES			
Current liabilities:			
Accounts payable	2,802	-	2,802
Accrued expenses	115	-	115
Due to other governments	-	1,384	1,384
Total current liabilities	<u>2,917</u>	<u>1,384</u>	<u>4,301</u>
Noncurrent liabilities:			
Net OPEB liability	78,822	-	78,822
TOTAL LIABILITIES	<u>81,739</u>	<u>1,384</u>	<u>83,123</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	15,120	-	15,120
NET POSITION			
Invested in capital assets	90	-	90
Unrestricted	365,312	92,983	458,295
TOTAL NET POSITION	<u>\$ 365,402</u>	<u>\$ 92,983</u>	<u>\$ 458,385</u>

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities		TOTALS
	Enterprise Funds		
	Major		
	Professional Development - Consortium	Nonmajor Proprietary Funds	
OPERATING REVENUES			
Fees for services	\$ 222,598	\$ 19,017	\$ 241,615
OPERATING EXPENSES			
Salaries and benefits	102,789	-	102,789
OPEB expense	18,549	-	18,549
Purchased services	117,855	10,422	128,277
Supplies and materials	9,708	353	10,061
Depreciation	180	-	180
Payments to other governments	150	-	150
Total Operating Expenses	<u>249,231</u>	<u>10,775</u>	<u>260,006</u>
OPERATING INCOME (LOSS)	(26,633)	8,242	(18,391)
NET POSITION - BEGINNING	<u>392,035</u>	<u>84,741</u>	<u>476,776</u>
NET POSITION - ENDING	<u>\$ 365,402</u>	<u>\$ 92,983</u>	<u>\$ 458,385</u>

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		TOTALS
	Major		
	Professional Development - Consortium	Nonmajor Proprietary Funds	
Cash Flows from Operating Activities:			
Receipts from customers	\$ 196,248	\$ 19,017	\$ 215,265
Payments to suppliers and providers of goods and services	(126,984)	(9,419)	(136,403)
Payments to employees	(103,925)	-	(103,925)
Net Cash Provided by (Used in) Operating Activities	<u>(34,661)</u>	<u>9,598</u>	<u>(25,063)</u>
Increase (Decrease) in Cash and Cash Equivalents	(34,661)	9,598	(25,063)
Cash and cash equivalents - Beginning	<u>422,624</u>	<u>84,769</u>	<u>507,393</u>
Cash and cash equivalents - Ending	<u>\$ 387,963</u>	<u>\$ 94,367</u>	<u>\$ 482,330</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ (26,633)	\$ 8,242	\$ (18,391)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	180	-	180
(Increase)/decrease in assets:			
Due from other governments	(26,350)	-	(26,350)
Increase/(decrease) in liabilities:			
Accounts payable	729	-	729
Accrued expenses	(567)	-	(567)
Due to other governments	-	1,356	1,356
Net OPEB liability	<u>17,980</u>	<u>-</u>	<u>17,980</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (34,661)</u>	<u>\$ 9,598</u>	<u>\$ (25,063)</u>

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 214,645
Due from other governments	<u>1,947,707</u>
TOTAL ASSETS	<u>2,162,352</u>
LIABILITIES	
Accounts payable	389
Due to other governments	<u>1,947,707</u>
TOTAL LIABILITIES	<u>1,948,096</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>214,256</u>
TOTAL NET POSITION	<u><u>\$ 214,256</u></u>

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Funds
ADDITIONS	
Local source income	\$ 8,658
Sales tax collections for other governments	6,733,685
State and federal grants	606,296
Total Additions	7,348,639
DEDUCTIONS	
Grant expenditures	677,247
Payments of sales tax to other governments	6,733,685
Total Deductions	7,410,932
CHANGE IN NET POSITION	(62,293)
NET POSITION - BEGINNING	
As previously reported	-
Prior period adjustment (see Note 15)	276,549
As adjusted	276,549
NET POSITION - ENDING	\$ 214,256

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2021, Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33 implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, GASB Statement No. 90 – *Majority Equity Interests*, and applicable sections of GASB No. 93, *Replacement of Interbank Offered Rates*. The implementation of GASB No. 84 changed the definition of fiduciary activity and established new financial reporting requirements for state and local governments. GASB Statement No. 90 addresses whether a government’s majority equity interest in a legally separate organization represents an investment or a component unit. The implementation of GASB Statement No. 90 and GASB Statement No. 93 did not have a significant effect on the Regional Office of Education No. 33’s financial statements.

A. DATE OF MANAGEMENT’S REVIEW

The Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33 has evaluated subsequent events through July 22, 2022, the date when the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State-controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; serving as the official advisor and assistant of school officers and teachers; conducting teachers institutes as well as aiding and encouraging the formation of other teachers’ meetings and assisting in their management; evaluating the schools in the region; examining evidence of indebtedness; filing and keeping the returns of elections required to be returned to the Regional Superintendent’s office; and filing and keeping the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 33’s districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions; and carrying out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurers’ bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts within his or her region are properly bonded.

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

For the period ended June 30, 2021, the Regional Office of Education No. 33 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 Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33. Such activities are reported as a single special revenue fund (Education Fund).

C. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education No. 33's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education No. 33 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 its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education No. 33 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 criteria of exercising oversight, scope of public service, and special financing relationships, and they are therefore excluded from the accompanying financial statements because the Regional Office of Education No. 33 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education No. 33 is not aware of any entity that would exercise such oversight as to result in the Regional Office of Education No. 33 being considered a component unit of the entity.

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education No. 33's activities, with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Regional Office of Education No. 33 has three business-type activities that rely on fees and charges for support.

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Regional Office of Education No. 33’s government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the Regional Office of Education No. 33 accompanied by a total column. These statements are presented on an “economic resources” measurement as prescribed by GASB Statement No. 34. All of the Regional Office of Education No. 33’s assets (including capital assets), deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges for services, and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

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 resources and other uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, activities between governmental funds have been eliminated; however, transactions between governmental and business-type activities have not been eliminated.

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

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. *Available* means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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 long-term obligations, which are recognized when paid.

Revenues received after the Regional Office’s availability period are reported as deferred inflows of resources in the fund statements and are reported as current revenue in the Statement of Activities.

F. PROPRIETARY FUND FINANCIAL STATEMENTS

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

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

G. 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.

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education No. 33; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Under the terms of grant agreements, the Regional Office of Education No. 33 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is the Regional Office of Education No. 33's policy to first apply restricted funds to such programs, and then unrestricted funds. For unrestricted fund balance, committed funds are used first, then assigned funds, then unassigned funds if any.

H. FUND ACCOUNTING

The Regional Office of Education No. 33 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 No. 33 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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), liabilities (including deferred inflows), 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), liabilities (including deferred inflows), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for 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 No. 33 has presented all major funds that met the above qualifications. The Regional Office of Education No. 33 reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources that benefit all school districts in the Region except for those required to be accounted and reported for in other funds. The General Fund accounts include the following:

General Operations – This fund accounts for monies received for expenditures in connection with general administrative activities.

General State Aid – Accounts for monies received for and in payment of expenditures for the general operations of the Regional Alternative School.

Even Start Local – Accounts for local grant monies received for, and payment of, expenditures incurred for the Even Start program.

High Roads Youth Programs – Accounts for local grant monies received for, and payment of, expenditures incurred for the High Roads Youth Programs.

Local Galesburg Community Foundation – Accounts for local grant monies received for, and payment of, expenditures incurred to educate students about the city of Galesburg, and the many opportunities that the community can offer them.

American College Test (ACT) Class – Accounts for the administration of classes to prepare students for the ACT.

Testing Center – Accounts for activity from PearsonVue for various testing.

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:

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

McKinney Education for Homeless Children – Used to account for the McKinney Education for Homeless Children Grant, a program to facilitate the enrollment, attendance, and success of homeless youths in school.

Title II – Teacher Leadership – This program accounts for the purchasing of evaluation training for teachers and evaluator training for principals through Growth Through Learning Illinois.

Title II – Teacher Quality – Used to account for funding to increase student achievement by elevating teacher and principal quality through recruitment, hiring, and retention strategies and to hold local education agencies and schools accountable for improvements in student academic achievement.

Regional Safe Schools – Used to account for an alternative schools program of centralized instructional programs for students with specialized needs.

Regional Safe Schools Cooperative – This program provides support for the individual needs and learning styles of students while focusing on twelve employability skills recognized by adult service agencies.

ROE/ISC Operations – Used to develop and implement a regional improvement plan.

Title I – Foundational Services – The Illinois State Board of Education Quality Assurance Process consists of an external visit to audit each school every few years and an internal review that each school must conduct annually. The Regional Office of Education No. 33 is charged with supporting and guiding schools through this complex school improvement process so that teaching and learning improve every year.

Truants Alternative Education – To establish and expand program options outside of regular school attendance to prevent students from becoming chronic truants or dropping out of school and to focus on employability skills for those 16-21 years of age.

State Free Lunch and Breakfast – Used to account for grant monies received for, and payment of, expenditures for the State Free Lunch and Breakfast Program.

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

National School Lunch Program – Used to account for grant monies received for, and payment of, expenditures for the National School Lunch Program.

School Breakfast Program – Used to account for grant monies received for, and payment of, expenditures for the School Breakfast Program.

Early Childhood and Early Childhood Block Grants – Used to account for State grant proceeds for the Early Childhood Education Block Grants.

Early Childhood – Monitoring – Accounts for the grant monies received for, and payment of, expenditures incurred for the Early Childhood – Monitoring Grant.

Title IV 21st Century Community Learning Centers – Used to create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low-performing schools, to meet State and local student standards in core academic subjects, to offer students a broad array of enrichment activities that can complement their regular academic programs, and to offer literacy and other educational services to the families of participating children.

Adult Education and Family Literacy – State Basic – Used to account for grant monies received for, and payment of, expenditures incurred for students in high school, General Educational Development, and computer classes with high reading levels.

Adult Education and Family Literacy – State Performance – Used to account for grant monies for formula-driven rewards for successful completion of the program.

Adult Education and Family Literacy – Pilot Grant – Used to account for grant monies received for, and payment, of expenditures to offer basic English language instruction through ESL classes for adult community members, whose primary language is not English.

Federal Adult Education – Basic – Used to account for federal grant monies received for, and payment of, education and literacy for adults.

Federal Adult Education- English Literacy (EL) Civics – Used to account for federal grant monies received for, and payment of, education and literacy for adults about U.S. history, government, civic engagement, and the naturalization process.

Federal Adult Education – CURES – Used to account for federal grant monies received for, and payment of, coronavirus relief funds.

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Adult Education – Bridges – Used to account for federal grant monies from Illinois Community College Board to create, support, or expand innovative bridge programs and services.; support or create transition programs which improve student transitions to and through postsecondary education and into employment; create programs that promote equity and diversity among those served; and/or create programs and services that support individuals with disabilities.

Performance Evaluation Advisory Council (PEAC) – Used to account for grant monies from the Illinois State Board of Education to support the working of training development and delivery for state-wide training for principal and teacher evaluations.

Knox County Mental Health Board – Used to account for grant monies received to plan, fund, coordinate, and evaluate public services and facilities within Knox County to aid/treat persons with mental illness, developmental disabilities, and substance use/abuse issues.

AdvancED – Used to account for grant monies received from the Illinois State Board of Education for work with AdvancED and the process and expenses for accreditation.

Workforce Innovation and Opportunity Act (WIOA) – Used to account for grant monies received to provide students identified as high school dropouts with resources to obtain employment or alternative education plans.

Elementary and Secondary School Emergency Relief Grant – Used to account for grant monies received from the Illinois State Board of Education for emergency relief funds to prevent, prepare for, and respond to the coronavirus threat.

IHSA Parent Café – Used to account for grant monies received for Parent Cafés. Parent Cafés are engaging, reflective discussions hosted by parents, for parents. They create a way for parents to share their wisdom and discuss challenges with their peers. Parent Leaders model leadership of each Parent Café. Parents Leaders facilitate Parent Cafés by building trusting relationships, offering social support, and developing connections with other parents. These efforts support the Head Start Program Performance Standards.

Workplace Skills Assessment – Used to account for grant monies received for an Adult Literacy Grant program offered by the Secretary of State/Illinois State Library Literacy Office helps adults increase their reading, writing, math or English-language skills. These grants have a positive impact on the lives of recipients in areas such as citizenship, community participation, family life and work life.

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governor’s Emergency Education Relief – Used to account for grant monies received under the Governor’s Emergency Relief Fund (GEER Fund), the U.S. Department of Education (Department) awards grants to Governors for the purpose of providing local educational agencies (LEAs), institutions of higher education (IHEs), and other education related entities with emergency assistance as a result of the Novel Coronavirus Disease 2019 (COVID-19).

Elementary and Secondary School Digital Professional Learning – Used to account for grant monies received from the Illinois State Board of Education. The purpose of the Elementary and Secondary Relief – Digital Professional Learning NOFO/RFP is to assist school districts in enabling digital-age teaching and learning. School districts may use funds to provide educators and parents with professional learning opportunities that drive digital-age learning, integrate technology across subject areas, and develop digital citizenship.

Elementary and Secondary School Digital Equity – Used to account for grant monies received from the Illinois State Board of Education to assist school districts in closing the digital divide and enabling digital-age teaching and learning. School districts may use funds to provide students with technology tools and home internet access necessary for technology-rich remote learning experiences.

The Regional Office of Education No. 33 reports the following nonmajor special revenue funds:

General Education Development (GED) – Used to account for fees and expenditures incidental to administering the high school equivalency testing program.

Bus Driver Training – Used to account for fees and expenditures incidental to conducting courses of instruction for school bus drivers pursuant to the standards established by the Illinois Secretary of State.

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS

Proprietary Funds – Proprietary funds account for revenue and expenses related to services provided to organizations inside the Region on a cost-reimbursement basis. The Regional Office of Education No. 33 reports the following major proprietary fund:

Professional Development – Consortium – Used to account for monies from a joint effort between the Regional Office of Education No. 33 and Regional Office of Education #26 to provide professional development courses to district teachers in the respective Regional Office’s regions.

The Regional Office of Education No. 33 reports the following nonmajor proprietary funds:

Staff Development – Used to account for local revenues and disbursements related to the development of staff.

Criminal Background Investigation – Accounts for the assessments received from the school districts to pay for the processing of background checks of substitute teachers and expenditures incurred providing this service to the school districts.

FIDUCIARY FUNDS

Custodial Funds – Custodial funds account for assets held by the Regional Office of Education No. 33 in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. Custodial funds include the following:

School Facility Occupation Tax – Accounts for the assets held by the Regional Office of Education No. 33 to be distributed to local school districts. Monies are received from the State Comptroller for the School Facilities Occupation Tax and are distributed to the school districts.

Delabar CTE System – Accounts for the assets held by the Regional Office of Education No. 33 to be distributed to local school districts. Monies are received from the Illinois State Board of Education and local school districts.

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. 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 net position that is not available to be spent, either short term or long term, due to either its form or legal restrictions. The Regional Office of Education No. 33 has no nonspendable fund balances.

Restricted Fund Balance – The portion of a governmental fund’s net position that is subject to external enforceable legal restrictions. The following Education Fund accounts’ fund balances are restricted by donor restrictions, grant agreements, or contracts: Title II – Teacher Leadership, Title II – Teacher Quality, Regional Safe Schools, State Free Lunch and Breakfast, School Breakfast Program, Early Childhood Grant (3705-00), Early Childhood Block Grant (3705-01), Title IV 21st Century Community Learning Center (4421-13), Adult Education and Family Literacy – State Performance, Adult Education and Family Literacy – Pilot Grant, Federal Adult Education – CURES, and IHSA Parent Cafe. The following fund balances are restricted by Illinois Statute: General Education Development, Bus Driver Training, and Institute.

Committed Fund Balance – The portion of a governmental fund’s net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education No. 33 has no committed fund balances.

Assigned Fund Balance – The portion of a governmental fund’s net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The Regional Office of Education No. 33 has assigned fund balances in the following General Fund accounts: Even Start Local, High Roads Youth Programs, Local Galesburg Community Foundation, American College Test (ACT) Class, and Testing Center.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The Regional Office of Education No. 33 has unassigned fund balances in the following General Fund accounts: General Operations and General State Aid. The following Education Fund accounts also have unassigned fund balances: McKinney Education for Homeless Children, National School Lunch Program, Adult Education and Family Literacy – State Basic, Federal Adult Education – Basic, Federal Adult Education – EL Civics, Performance Evaluation Advisory Council (PEAC), Knox County Mental Health Board, Workforce Innovation and Opportunity Act (WIOA), Workplace Skills Assessment, and Governor’s Emergency Education Relief.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. NET POSITION

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

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

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

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

K. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit and invested in money market accounts. The Regional Office of Education No. 33 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

L. CAPITAL ASSETS

Capital assets, which include buildings, software, and furniture and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets purchased or acquired with an original cost of \$500 or more with a useful life of greater than one year are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation is computed using the straight-line method over the following estimated useful lives: software over 3 years, furniture and equipment over 5-20 years, and buildings over 40 years.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. COMPENSATED ABSENCES

The eligible employees of the Regional Office earn vacation days based on the number of full-time years worked as follows: 5 days for full-time employees during the first year, 10 days for full-time staff after 2 years, 15 days for full-time staff after 8 years, and 20 days for full-time staff after 12 years of continuous service. Vacation may not be taken in more than two weeks without prior approval. Employees may not carry forward any vacation time. Employees will also not be compensated for any unused vacation days.

Eligible employees receive up to 14 sick days annually that can accumulate to 360 days total for TRS employees and 221 days for IMRF employees. Upon resignation or dismissal, the ROE will not pay for unused sick time. Employees may use two of their sick days for personal business.

N. ESTIMATES

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

O. BUDGET INFORMATION

The Regional Office of Education No. 33 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted, nor are they required to be. Comparisons of budgeted and actual results are presented as supplemental information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds:

McKinney Education for Homeless Children, Title II – Teacher Leadership, Regional Safe Schools, Regional Safe Schools Cooperative, ROE/ISC Operations, Truants Alternative Education, Early Childhood Grant (3705-00), Early Childhood Block Grant (3705-01), Early Childhood – Monitoring, Title IV 21st Century Community Learning Center (4421-13, 4421-15, 4421-19), Adult Education and Family Literacy – State Basic, Adult Education and Family Literacy – State Performance, Federal Adult Education – Basic, Federal Adult Education – EL Civics, Performance Evaluation Advisory Council (PEAC), AdvancED, Workforce Innovation and Opportunity Act (WIOA), Elementary and Secondary School Emergency Relief Grant, Governor’s Emergency Education Relief, Elementary and Secondary School Digital Professional Learning, and Elementary and Secondary School Digital Equity.

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

P. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

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

Q. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

For purposes of measuring the Regional Office of Education No. 33’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education No. 33’s OPEB Plan, and additions to/deductions from the Regional Office of Education No. 33’s fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 33’s Plan. For this purpose, the Regional Office of Education No. 33’s Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education No. 33’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.

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NOTE 2 – DEPOSITS AND INVESTMENTS

The *Illinois Compiled Statutes* authorize the Regional Office of Education No. 33 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 Funds.

A. DEPOSITS

At June 30, 2021, the carrying amount of the Regional Office of Education No. 33's government-wide and fiduciary fund deposits were \$5,054,410 and \$214,645, respectively, and the bank balances were \$5,325,045 and \$214,645, respectively. Of the total bank balances as of June 30, 2021, \$501,000 was secured by federal depository insurance, \$4,838,705 was collateralized by securities pledged by the Regional Office of Education No. 33's financial institution on behalf of the Regional Office, and \$199,985 was invested in the Illinois Funds Money Market Fund.

B. INVESTMENTS

The Regional Office of Education No. 33 does not have a formal investment policy but requires that funds be invested solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2. The Regional Office of Education No. 33's only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2021, the Regional Office of Education No. 33 had investments with a carrying value of \$199,985 in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2021, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

INTEREST RATE RISK

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

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NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)

CONCENTRATION OF CREDIT RISK

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

NOTE 3- NONCURRENT LIABILITIES

Changes in noncurrent liabilities for the year ended June 30, 2021 are summarized as follows:

	Balance <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2021</u>	Due within <u>one year</u>
Governmental Activities:					
Net pension liability	\$ 356,015	\$ -	\$ 286,737	\$ 69,278	\$ -
OPEB liabilities	<u>760,153</u>	<u>256,269</u>	<u>-</u>	<u>1,016,422</u>	<u>-</u>
Total	<u>\$ 1,116,168</u>	<u>\$ 256,269</u>	<u>\$ 286,737</u>	<u>\$ 1,085,700</u>	<u>\$ -</u>
Business-type Activities:					
Net OPEB liability	<u>\$ 51,458</u>	<u>\$ 27,364</u>	<u>\$ -</u>	<u>\$ 78,822</u>	<u>\$ -</u>

NOTE 4 – DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The Regional Office of Education No. 33’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 33’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the following “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 Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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NOTE 4 – DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and beneficiaries currently receiving benefits	10
Inactive plan members entitled to but not yet receiving benefits	34
Active plan members	<u>68</u>
Total	112

Contributions

As set by statute, the Regional Office of Education No. 33’s Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 33’s annual contribution rate for calendar year 2020 was 7.59%. For the fiscal year ended June 30, 2021, the Regional Office of Education No. 33 contributed \$170,809 to the plan. The Regional Office of Education No. 33 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.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 – DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability (Asset)

The Regional Office of Education No. 33's net pension liability (asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability (asset) 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, 2020:

- 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 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, 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 2020 valuation pursuant to an experience study of the period 2017 to 2019.
- For **Non-Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

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 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 4 – DEFINED BENEFIT PENSION PLAN (Continued)

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	5.00%
International Equities	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	
Private Equity		6.95%
Hedge Funds		N/A
Commodities		2.85%
Cash Equivalents	1%	0.70%
Total	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2020. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

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 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 4 – DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(A)	(B)	(A) - (B)
Balances at December 31, 2019	\$ 2,553,818	\$ 2,407,704	\$ 146,114
Changes for the year:			
Service Cost	192,512	-	192,512
Interest on the Total Pension Liability	187,952	-	187,952
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	90,035	-	90,035
Changes of Assumptions	(40,528)	-	(40,528)
Contributions - Employer	-	180,278	(180,278)
Contributions - Employees	-	106,884	(106,884)
Net Investment Income	-	363,491	(363,491)
Benefit Payments, Including Refunds of Employee Contributions	(115,263)	(115,263)	-
Other (Net Transfer)	-	(1,707)	1,707
Net Changes	<u>314,708</u>	<u>533,683</u>	<u>(218,975)</u>
Balances at December 31, 2020	<u>\$ 2,868,526</u>	<u>\$ 2,941,387</u>	<u>\$ (72,861)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset)	\$ 335,797	\$ (72,861)	\$ (376,966)

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

For the year ending June 30, 2021, the Regional Office of Education No. 33 recognized pension expense of \$88,146. At June 30, 2021, the Regional Office of Education No. 33 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 4 – DEFINED BENEFIT PENSION PLAN (Concluded)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 262,081	\$ -
Net difference between projected and actual earnings on pension plan investments	-	270,984
Change of assumptions	39,316	50,041
Employer contributions subsequent to the measurement date	<u>90,121</u>	<u>-</u>
Total	<u>\$ 391,518</u>	<u>\$ 321,025</u>

\$90,121 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, 2022. 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 June 30	Net Deferred Outflows/(Inflows) of <u>Resources</u>
2022	\$ (17,162)
2023	3,820
2024	(26,144)
2025	2,378
2026	13,903
Thereafter	<u>3,577</u>
Total	<u>\$ (19,628)</u>

NOTE 5 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education No. 33 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.

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NOTE 5 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2020>; 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 than 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, 2024. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

Contributions

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

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NOTE 5 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

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, 2020, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 33.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 33. For the year ended June 30, 2021, State of Illinois contributions recognized by the Regional Office of Education No. 33 were based on the State’s proportionate share of the pension expense associated with the Regional Office of Education No. 33, and the Regional Office of Education No. 33 recognized revenue and expenditures of \$577,899 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, 2021, were \$3,314, and are deferred because they were paid after the June 30, 2020 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 No. 33, there is a statutory requirement for the Regional Office of Education No. 33 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, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$179,667 were paid from federal and special trust funds that required employer contributions of \$18,703. Actual contributions made were \$19,853. These contributions are deferred because they were paid after the June 30, 2020 measurement date.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 33 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.

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NOTE 5 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

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, 2021, the Regional Office of Education No. 33 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 allotment.

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

At June 30, 2020, the Regional Office of Education No. 33 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State’s support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer follows below:

Employer's proportionate share of the net pension liability	\$ 69,278
State's proportionate share of the net pension liability associated with the employer	5,426,246
Total	\$ 5,495,524

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The Regional Office of Education No. 33’s proportion of the net pension liability was based on the employer’s share of contributions to TRS for the measurement year ended June 30, 2020, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2020, the Regional Office of Education No. 33’s proportion was .0000803552 percent, which was an increase of .0000148927 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Regional Office of Education No. 33 recognized pension expense of \$577,899 and revenue of \$577,899 for support provided by the State. For the year ended June 30, 2021, the Regional Office of Education No. 33 recognized pension income of \$48,410. At June 30, 2021, the Regional Office of Education No. 33 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTE 5 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 671	\$ 18
Net difference between projected and actual earnings on pension plan investments	2,069	-
Change of assumptions	284	727
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,571	301,578
Employer contributions subsequent to the measurement date	23,167	-
Total	\$ 64,762	\$ 302,323

\$23,167 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ended June 30:	Net Deferred Outflows/(Inflows) of Resources
2022	\$ (118,406)
2023	(102,356)
2024	(43,548)
2025	2,667
2026	915
	\$ (260,728)

Actuarial assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

In the June 30, 2020 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2019 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.

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NOTE 5 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	16.5%	6.1%
U.S. equities small/mid cap	2.3%	7.2%
International equities developed	12.2%	7.0%
Emerging market equities	3.0%	9.4%
U.S. bonds core	7.0%	2.2%
U.S. bonds high yield	2.5%	4.1%
International debt developed	3.1%	1.5%
Emerging international debt	3.2%	4.5%
Real estate	16.0%	5.7%
Private debt	5.2%	6.3%
Hedge funds	10.0%	4.3%
Private equity	15.0%	10.5%
Infrastructure	4.0%	6.2%
Total	100.0%	

Discount Rate

At June 30, 2020, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2019 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, 2020 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1’s liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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NOTE 5 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

Sensitivity of the Regional Office of Education No. 33’s proportionate share of the net pension liability to changes in the discount rate

The following presents the Regional Office of Education No. 33’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

	1% Decrease <i>(6.00%)</i>	Current Discount Rate <i>(7.00%)</i>	1% Increase <i>(8.00%)</i>
Regional Office of Education No. 33's proportionate share of the net pension liability	\$ 84,091	\$ 69,278	\$ 57,083

TRS fiduciary net position

Detailed information about the TRS’s fiduciary net position as of June 30, 2020, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

NOTE 6 – TEACHERS’ HEALTH INSURANCE SECURITY FUND

THIS Plan Description

The Regional Office of Education No. 33 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).

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NOTE 6 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) outlines the eligibility and benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor’s approval. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

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

On-behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 33. For the year ended June 30, 2021, State of Illinois contributions recognized by the Regional Office of Education No. 33 were based on the State’s proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 33, and recognized revenue and expenditures of \$26,717 in OPEB contributions from the State of Illinois.

Employer contributions to the THIS Fund

The Regional Office of Education No. 33 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2021, 2020, and 2019. For the year ended June 30, 2021, the Regional Office of Education No. 33 paid \$5,110 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2020 and 2019, the Regional Office of Education No. 33 paid \$6,455 and \$4,698 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further information on the THIS Fund

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

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019 projected to the measurement date of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

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NOTE 6 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

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	Trend used for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of 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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

Single Discount Rate

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

Since the THIS fund is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity’s index’s “20-year Municipal GO AA Index” has been selected. The discount rates are 2.45 percent as of June 30, 2020, and 3.13 percent as of June 30, 2019.

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NOTE 6 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

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

The following presents the Regional Office of Education No. 33’s proportionate share of the collective net OPEB liability, as well as what the ROE’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	(1.45%)	(2.45%)	(3.45%)
ROE’s proportionate share of the collective net OPEB liability	\$ 850,233	\$ 707,561	\$ 594,298

Sensitivity of the employer’s proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates.

The following table shows the Regional Office of Education No. 33’s net OPEB liability as of June 30, 2020, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The current claims trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	1% Decrease a	Healthcare Cost Trend Rates	1% Increase b
ROE’s proportionate share of the collective net OPEB liability	\$ 568,991	\$ 707,561	\$ 894,579

^a One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate rate of 3.25% in 2037.

^b One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

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

At June 30, 2021, the Regional Office of Education No. 33 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 33. The amount recognized by the Regional Office of Education No. 33 as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Regional Office of Education No. 33 were as follows:

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NOTE 6 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Employer's proportionate share of the collective net OPEB liability	\$ 707,561
State's proportionate share of the collective net OPEB liability associated with the employer	<u>958,523</u>
Total	<u><u>\$ 1,666,084</u></u>

The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2019, and was rolled forward to the June 30, 2020 measurement date. The Regional Office of Education No. 33’s proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 33’s long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 33, actuarially determined. At June 30, 2020, the Regional Office of Education No. 33’s proportion was 0.002646 percent, which was an increase of 0.000587 from its proportion measured as of June 30, 2019. The State’s support and total are for disclosure purposes only.

For the year ending June 30, 2021, the Regional Office of Education No. 33 recognized OPEB expense of \$26,717 and revenue of \$26,717 for support provided by the State. For the year ending June 30, 2021, the Regional Office of Education No. 33 recognized OPEB expense of \$63,125. At June 30, 2021, the Regional Office of Education No. 33 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	\$ -	\$ 18,799
Net difference between projected and actual earnings on OPEB plan investments	-	20
Change of assumptions	240	116,711
Changes in proportion and differences between employer contributions and proportionate share of contributions	261,049	193
Employer contributions subsequent to the measurement date	<u>5,110</u>	<u>-</u>
Total	<u><u>\$ 266,399</u></u>	<u><u>\$ 135,723</u></u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
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NOTE 6 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Concluded)

\$5,110 reported as deferred outflows of resources related to OPEB resulting from the Regional Office of Education No. 33 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education No. 33’s OPEB expense as follows:

Year Ending June 30	Net Deferred Outflows/(Inflows) of Resources
2022	\$ 14,845
2023	14,847
2024	14,851
2025	17,341
2026	20,863
Thereafter	<u>42,819</u>
Total	<u>\$ 125,566</u>

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2020, is available in the separately issued THIS Financial Report.

NOTE 7 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB)

Plan Description

The Regional Office of Education No. 33 provides a single-employer defined benefit OPEB plan by participating in the Western Area School Health Benefit Plan (the WAS Plan) as a member of the Western Area School Association. Benefit terms can be amended by WAS at any time. All full time, permanent employees and their spouses are eligible to participate in the plan and have the option to continue participation upon retirement. The WAS Plan is funded through the Western Area School Employee Benefit Trust, which is a trust that does not meet the criteria in paragraph 4 of statement 75 due to contributions made to the plan being revocable.

Eligibility Provisions

Full-Time Employees - IMRF

Tier I IMRF Full-Time employees:

Age 55 with at least 8 years of service

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NOTE 7 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

Tier II IMRF Full-Time employees:
 Age 62 with at least 10 years of service

Full-Time Employees - TRS

Tier I TRS Full-Time employees:
 Age 55 with at least 20 years of service (Reduced Pension)
 Age 55 with at least 35 years of service (Full Pension)
 Age 60 with at least 10 years of service (Full Pension)
 Age 62 with at least 5 years of service (Full Pension)

Tier II TRS Full-Time employees:
 Age 62 with at least 10 years of service (Reduced Pension)
 Age 67 with at least 10 years of service (Full Pension)

Benefits Provided

The Regional Office of Education No. 33 provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. Benefits for the WAS Plan include Medical and prescription drug benefits under PPO and HSA plans. IMRF and TRS employees may continue health insurance in retirement; however, they are responsible for paying the full cost of the medical premium. Eligible spouse/dependent coverage terminates when retiree coverage terminates. Additional coverage is also provided for dental, vision and life insurance. IMRF and TRS employees may continue dental and vision insurance through Western Area School Benefit Plan; however, they are responsible for paying the full cost of the insurance premium. IMRF and TRS employees may convert their life insurance policy to a policy directly through Western Area School Benefit Plan, with the Regional Office of Education No. 33 no longer involved. They are responsible for paying the full cost of the life insurance premium.

Membership

At June 30, 2021 membership consisted of:

Inactive Employees Currently Receiving Benefit Payments	0
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	0
Active Employees	68
TOTAL	<hr style="border: 0.5px solid black;"/> 68

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NOTE 7 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

Funding Policy and Contributions

Benefits are paid by the WAS Plan for Medical, prescription drug, dental, vision and life benefits as they occur. 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.

The contributions of \$5,545 from other Regional Office of Education No. 33 resources and benefit payments of \$5,545 from other Regional Office of Education No. 33 resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

Total OPEB Liability

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2021 actuarial valuation date and adjusted to the June 30, 2021 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Actuarial Assumptions

Discount Rate used for the Total OPEB Liability	2.16%
Long-Term Expected Rate of Return on Plan Assets	N/A. OPEB obligation is unfunded
Long-Term Inflation Expectation	2.25%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	2.16%
Salary Increases	The salary increase assumption of 2.50% was based on a review of the IMRF Experience Study Report dated November 8, 2017 and the TRS Experience Study Report dated September 18, 2018.
Premiums	Premiums charged for coverage of retiree and spouse are \$9,312 and \$11,394, respectively with a PPO Red \$1,000 deductible. Premiums charged for coverage of retiree and spouse are \$9,000 and \$9,360, respectively with a PPO Red \$2,000 deductible. Premiums charged for coverage of retiree and spouse are \$8,454 and \$7,146, respectively with a PPO Red \$3,000 deductible with HSA. Premiums charged for coverage of retiree and spouse are \$6,564 and \$8,093, respectively with a PPO White \$5,000 deductible.

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NOTE 7 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

Healthcare Trend Rates	Initial trend rate is based on the 2021 Segal Health Plan Cost Trend Survey. For fiscal years on and after 2021, trend starts at 7.70% (PPO Red \$1,000 and \$2,000 Plans) and 7.20% (PPO White \$5,000 and HSA Red \$3,000 Plans) and gradually decreases to an ultimate trend of 5.00%.
IMRF Mortality Rates	RP-2014 with Blue Collar Adjustment and MP-2016 Improvement, weighted per IMRF Experience Study dated November 8, 2017; Age 85 for males, Age 88 for females
TRS Mortality Rates	RP-2014 with White Collar Adjustment and MP-2017 Improvement, weighted per TRS Experience Study Report dated September 18, 2018; Age 88 for males, Age 89 for females
Retirement rates, termination rates, and disability rates	IMRF is based on rates from IMRF experience study report dated November 8, 2017. TRS is based on rates from TRS experience study report dated September 18, 2018.

Assumptions follow the guidance in GASB 74/75 for the Alternative Measurement Method.

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

The following are the changes in assumptions for the June 30, 2021 measurement date:

- Changes of assumptions reflect a change in the discount rate from 2.21% in fiscal year 2020 to 2.16% in fiscal year 2021.

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NOTE 7 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2020	\$ 241,751
Changes for the period:	
Service Cost	15,753
Interest Cost	5,281
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	106,830
Changes of Assumptions	23,613
Benefit Payments	(5,545)
Net Change	145,932
 Balance at June 30, 2021	 \$ 387,683

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the Regional Office of Education No. 33, then only the municipal bond rate is used in determining the total OPEB liability.

If the postretirement plan is funded, cash flow projections are used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the total 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 total OPEB liability associated with those payments.

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 7 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The beginning of the year rate is 2.21%, and the end of year rate is 2.16%. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody’s Aa2 and Standard & Poor’s AA.

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

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

Sensitivity of the Discount Rate

The following presents the Regional Office of Education No. 33’s total OPEB liability calculated using a discount rate of 2.16%, as well as what the ROE’s total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
ROE’s total OPEB liability	\$ 445,135	\$ 387,683	\$ 341,306

Sensitivity of the Healthcare Trend Rates

The following presents the Regional Office of Education No. 33’s total OPEB liability, calculated using the healthcare cost trend rates as well as what the ROE’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates start at 7.70% (PPO Red \$1,000 and \$2,000 Plans) and 7.20% (PPO White \$5,000 and HSA Red \$3,000 Plans) in 2021 decreasing to an ultimate trend rate of 5.00% in 2031.

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
ROE’s total OPEB liability	\$ 339,118	\$ 387,683	\$ 446,756

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 7 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Concluded)

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

For the year ending June 30, 2021, the Regional Office of Education No. 33 recognized OPEB expense of \$151,477. At June 30, 2021 the Regional Office of Education No. 33 reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

NOTE 8 – RISK MANAGEMENT

The Regional Office of Education No. 33 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education No. 33 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 9 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2021, consist of the following due to/from other funds in the governmental fund Balance Sheet. These balances, primarily made to cover cash deficits within pooled cash accounts as of June 30, 2021, were eliminated in the government-wide Statement of Net Position.

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental Funds:		
General Fund	\$ 153,468	\$ -
Education Fund	_____ -	_____ 153,468
	<u>\$ 153,468</u>	<u>\$ 153,468</u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – OPERATING LEASES

The Regional Office of Education No. 33 leases classroom and office space from various parties. During fiscal year 2021, the Regional Office of Education No. 33 leased classroom and office space located at Willits School from Monmouth-Roseville Community Unit School District No. 238. The lease term began on July 1, 2020, and ends on June 30, 2023 and requires monthly rent payments of \$2,000.

The Regional Office of Education No. 33 leases property located in Stronghurst, Illinois from MMH Properties for \$350 per month. The lease is from October 1, 2018 to August 31, 2023.

The Regional Office of Education No. 33 leases office space and parking lot space located in Galesburg, Illinois for \$3,000 per month. The lease term was from April 1, 2021 to June 30, 2021.

Total lease expense for the year ended June 30, 2021 was \$37,200. Future minimum lease payments are as follows for the years ending June 30:

<u>Fiscal Year</u>	
2022	\$ 28,200
2023	28,200
2024	700
	<u>\$ 57,100</u>

NOTE 11 – CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Regional Office of Education No. 33 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The Regional Office’s assets consist of furniture and equipment. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2021:

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Governmental Activities:				
Furniture and Equipment	<u>\$ 363,609</u>	<u>\$ 74,905</u>	<u>\$ -</u>	<u>\$ 438,514</u>
Governmental Activities Total Assets	363,609	74,905	-	438,514
Less Accumulated Depreciation	<u>122,381</u>	<u>54,210</u>	<u>-</u>	<u>176,591</u>
Governmental Activities:				
Investment in Capital Assets, Net	<u>\$ 241,228</u>	<u>\$ 20,695</u>	<u>\$ -</u>	<u>\$ 261,923</u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 11 – CAPITAL ASSET ACTIVITY (Concluded)

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Business-type Activities:				
Furniture and Equipment	\$ 899	\$ -	\$ -	\$ 899
Business-type Activities Total Assets	899	-	-	899
Less Accumulated Depreciation	<u>629</u>	<u>180</u>	<u>-</u>	<u>809</u>
Business-type Activities:				
Investment in Capital Assets, Net	<u>\$ 270</u>	<u>\$ (180)</u>	<u>\$ -</u>	<u>\$ 90</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2021 of \$54,210 and \$180 was charged to the governmental activities instructional services function and the business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

NOTE 12 – ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries, benefits, and contributions on behalf of the Regional Office of Education No. 33:

Regional Superintendent Salary	\$ 117,288
Assistant Regional Superintendent Salary	105,564
Regional Superintendent Benefits (includes State-paid insurance)	38,441
Assistant Regional Superintendent Benefits (includes State-paid insurance)	<u>32,931</u>
Total on-behalf payments	<u>\$ 294,224</u>

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

Regional Office of Education No. 33 also recorded \$604,616 in revenue and expenses as on-behalf payments from ISBE for the Regional Office’s share of the State’s Teachers’ Retirement System (TRS) pension expense and Teachers’ Health Insurance Security Fund (THIS) OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 33 has not included any on-behalf payments related to the State’s TRS pension expense or THIS OPEB expense for the Regional Superintendent or Assistant Regional Superintendent.

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 12 – ON-BEHALF PAYMENTS (Concluded)

State of Illinois on-behalf payments	\$ 294,224
ROE No. 33's share of TRS pension expense	577,899
ROE No. 33's share of THIS pension expense	<u>26,717</u>
Total on-behalf payments	<u><u>\$ 898,840</u></u>

NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education No. 33 has amounts due from/to various other governmental units which consist of the following:

Due from Other Governments:	
General Fund	
Local Governments	\$ 90,117
Education Fund	
Local Governments	77,371
Illinois State Board of Education	420,439
Proprietary Funds	
Local Governments	45,100
Fiduciary Funds	
Local Governments	<u>1,947,707</u>
Total Due from Other Governments	<u><u>\$ 2,580,734</u></u>
Due to Other Governments:	
Education Fund	
Local Governments	\$ 1,493,484
Proprietary Funds	
Local Governments	1,384
Fiduciary Funds	
Local Governments	<u>1,947,707</u>
Total Due to Other Governments	<u><u>\$ 3,442,575</u></u>

NOTE 14 – 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 overexpend appropriations during the year are required to be disclosed. The following funds had fund deficits as of June 30, 2021:

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 14 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Concluded)

<u>Education Fund</u>	<u>Amount</u>
McKinney Education for Homeless Children	\$ (505)
National School Lunch Program	(626)
Adult Education and Family Literacy - State Basic	(2,079)
Federal Adult Education - Basic	(28,589)
Federal Adult Education - EL Civics	(12,425)
Performance Evaluation Advisory Council (PEAC)	(402)
Knox County Mental Health Board	(48)
Workforce Innovation and Opportunity Act (WIOA)	(18,419)
Workplace Skills Assessment	(8)
Governor's Emergency Education Relief	(7,721)

NOTE 15 – ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, was implemented during fiscal year 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments that report fiduciary activity. Beginning net position for fiduciary activities was restated to retroactively report the change in net position as follows:

	Custodial Funds		
	School Facility Occupation Tax	Delabar CTE System	Total
Net Position, June 30, 2020, as previously reported	\$ -	\$ -	\$ -
Change to implement GASB No. 84	249	276,300	276,549
Net Position, July 1, 2020, as restated	\$ 249	\$ 276,300	\$ 276,549

NOTE 16 – PROSPECTIVE ACCOUNTING CHANGE

Governmental Accounting Standards Board has issued Statement No. 87, *Leases*. This statement will be implemented for the fiscal year ended June 30, 2022. The revised requirements of this statement will require reporting of certain potentially significant lease liabilities that are not currently reported.

REQUIRED SUPPLEMENTARY INFORMATION

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST SEVEN CALENDAR YEARS
(UNAUDITED)

Calendar Year Ended December 31,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability	\$ 192,512	\$ 161,704	\$ 114,778	\$ 64,823	\$ 57,785	\$ 46,790	\$ 50,889
Service Cost	187,952	164,755	140,360	122,450	110,536	96,903	90,733
Interest on the Total Pension Liability	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	90,035	103,310	141,691	122,934	31,416	66,475	(93,163)
Changes of Assumptions	(40,528)	-	73,465	(49,511)	-	-	56,262
Benefit Payments, including Refunds of Employee Contributions	(115,263)	(135,168)	(50,310)	(43,443)	(45,349)	(22,432)	(18,385)
Net Change in Total Pension Liability	314,708	294,601	419,984	217,253	154,388	187,736	86,336
Total Pension Liability - Beginning	2,553,818	2,259,217	1,839,233	1,621,980	1,467,592	1,279,856	1,193,520
Total Pension Liability - Ending (A)	<u>\$ 2,868,526</u>	<u>\$ 2,553,818</u>	<u>\$ 2,259,217</u>	<u>\$ 1,839,233</u>	<u>\$ 1,621,980</u>	<u>\$ 1,467,592</u>	<u>\$ 1,279,856</u>
Plan Fiduciary Net Position	\$ 180,278	\$ 133,219	\$ 151,126	\$ 113,522	\$ 58,601	\$ 51,500	\$ 46,073
Contributions - Employer	106,884	77,154	62,334	48,057	25,702	21,967	17,858
Contributions - Employees	363,491	379,194	46,209	221,779	69,356	(22,368)	2,624
Net Investment Income	(115,263)	(135,168)	(50,310)	(43,443)	(45,349)	(22,432)	(20,936)
Benefit Payments, including Refunds of Employee Contributions	(1,707)	(1,955)	826	(1,199)	(1,552)	3,147	(35)
Other (Net Transfer)	533,683	452,444	210,185	338,716	106,758	31,814	45,584
Net Change in Plan Fiduciary Net Position	2,407,704	1,955,260	1,745,075	1,406,359	1,299,601	1,267,787	1,222,203
Plan Fiduciary Net Position - Beginning	\$ 2,941,387	\$ 2,407,704	\$ 1,955,260	\$ 1,745,075	\$ 1,406,359	\$ 1,299,601	\$ 1,267,787
Plan Fiduciary Net Position - Ending (B)	<u>\$ (72,861)</u>	<u>\$ 146,114</u>	<u>\$ 303,957</u>	<u>\$ 94,158</u>	<u>\$ 215,621</u>	<u>\$ 167,991</u>	<u>\$ 12,069</u>
Net Pension Liability (Asset) - Ending (A) - (B)	102.54%	94.28%	86.55%	94.88%	86.71%	88.55%	99.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	\$ 2,375,202	\$ 1,714,534	\$ 1,385,203	\$ 1,067,943	\$ 571,160	\$ 488,152	\$ 406,149
Covered Payroll	-3.07%	8.52%	21.94%	8.82%	37.75%	34.41%	2.97%
Net Pension Liability (Asset) as a Percentage of Covered Payroll							

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 in assumptions:
For 2014, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2014 (base year 2014) developed from the RP-2014 mortality tables.
For 2015, changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015.
For 2016, changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016.
For 2017, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables.
For 2018, the assumed investment rate of return was lowered from 7.50% to 7.25%.
For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST SEVEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2021	\$ 170,809	\$ 170,809	\$ -	\$ 2,271,137	7.52%
2020	170,535	170,535	-	2,225,186	7.66%
2019	146,278	146,278	-	1,571,440	9.31%
2018	126,866	126,866	-	1,177,266	10.78%
2017	77,062	84,347	(7,285)	803,856	10.49%
2016	47,332	54,012	(6,680)	519,476	10.40%
2015	47,348	48,051	(703)	440,508	10.91%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2020 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>	23-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>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, IMRF specific rates were 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, 2018 actuarial valuation; note two year lag between valuation and rate setting.

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF THE EMPLOYERS PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 FOR THE SEVEN YEARS ENDED JUNE 30, 2021
 (UNAUDITED)

	FY20*	FY19*	FY18*	FY17*	FY16*	FY15*	FY14*
Employer's proportion of the net pension liability	0.0000803552%	0.0000654625%	0.0000667881%	0.0008237739%	0.0010516667%	0.0006423704%	0.0009430612%
Employer's proportionate share of the net pension liability	\$ 69,278	\$ 53,095	\$ 52,058	\$ 629,348	\$ 830,144	\$ 420,817	\$ 573,930
State's proportionate share of the net pension liability associated with the employer	\$ 5,426,246	\$ 3,778,746	\$ 3,566,180	\$ 2,555,161	\$ 2,784,243	\$ 2,012,052	\$ 2,567,901
Total	\$ 5,495,524	\$ 3,831,841	\$ 3,618,238	\$ 3,184,509	\$ 3,614,387	\$ 2,432,869	\$ 3,141,831
Employer's covered payroll	\$ 701,574	\$ 510,641	\$ 453,953	\$ 381,019	\$ 346,828	\$ 373,595	\$ 461,262
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	9.9%	10.4%	11.5%	165.2%	239.4%	112.6%	124.4%
Plan fiduciary net position as a percentage of the total pension liability	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

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

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 FOR THE EIGHT YEARS ENDED JUNE 30, 2021
 (UNAUDITED)

	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14
Statutorily-required contribution	\$ 21,924	\$ 29,002	\$ 2,962	\$ 16,437	\$ 36,327	\$ 40,483	\$ 20,997	\$ 35,724
Contributions in relation to the statutorily-required contribution	23,167	26,301	2,962	25,834	36,651	38,373	20,902	35,201
Contribution deficiency (excess)	\$ (1,243)	\$ 2,701	\$ -	\$ (9,397)	\$ (324)	\$ 2,110	\$ 95	\$ 523
Employer's covered payroll	\$ 555,404	\$ 701,574	\$ 510,641	\$ 453,953	\$ 381,019	\$ 346,828	\$ 373,595	\$ 461,262
Contributions as a percentage of covered payroll	4.17%	3.75%	0.58%	5.69%	9.62%	11.06%	5.59%	7.63%

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

Notes to This Required Supplementary Information
Changes of assumptions

For the 2016-2020 measurement years, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit and were consistent in 2019 and 2020. These actuarial assumptions were based on an experience study dated September 18, 2018.

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

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

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 TEACHERS' HEALTH INSURANCE SECURITY FUND
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE
 COLLECTIVE NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY
 For the Year Ended June 30, 2021
 (UNAUDITED)

	2020*	2019*	2018*	2017*	2016*
Employer's proportion of the collective net OPEB liability	.002646%	.002059%	.001812%	.001720%	.001513%
Employer's proportionate share of the collective net OPEB liability	\$ 707,561	\$ 569,860	\$ 477,294	\$ 446,202	\$ 413,672
State's proportionate share of the collective net OPEB liability associated with the employer	958,523	771,719	640,852	586,021	573,644
Total	<u>\$ 1,666,084</u>	<u>\$ 1,341,579</u>	<u>\$ 1,118,146</u>	<u>\$ 1,032,223</u>	<u>\$ 987,316</u>
Employer's covered payroll	\$ 701,574	\$ 510,641	\$ 453,953	\$ 381,019	\$ 346,828
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	100.85%	111.60%	105.14%	117.11%	119.27%
Plan fiduciary net position as a percentage of the total OPEB liability	0.70%	0.25%	-0.07%	-0.17%	-0.22%

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

TEACHERS' HEALTH INSURANCE SECURITY FUND
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 For the Year Ended June 30, 2021
 (UNAUDITED)

	2021	2020	2019	2018	2017	2016
Statutorily-required contribution	\$ 5,110	\$ 6,455	\$ 4,698	\$ 3,995	\$ 3,201	\$ 2,775
Contributions in relation to the statutorily-required contribution	5,110	6,455	4,698	3,995	3,201	2,775
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 555,404	\$ 701,574	\$ 510,641	\$ 453,953	\$ 381,019	\$ 346,828
Contributions as a percentage of covered payroll	0.92%	0.92%	0.92%	0.88%	0.84%	0.80%

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

Notes to Schedule

Changes of Benefit Terms

For the 2020 measurement year, there were no changes of benefit terms from the prior period.

Change of Assumptions

	Measurement year			
	2020	2019	2018	2017
Inflation	2.50 percent	2.50 percent	2.75 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 9.50% 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.	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 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.	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 the 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 the Excise Tax.	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, 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 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 WESTERN AREA SCHOOL HEALTH BENEFIT PLAN
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 FOR THE FOUR YEARS ENDED JUNE 30, 2021
 (UNAUDITED)

	FY21	FY20	FY19	FY18
Total OPEB Liability				
Service Cost	\$ 15,753	\$ 13,840	\$ 12,938	\$ 4,389
Interest Cost	5,281	6,900	6,800	1,169
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	106,830	-	6,079	-
Changes of Assumptions	23,613	26,441	144,806	-
Benefit Payments	(5,545)	(5,188)	(4,875)	-
Net Change in Total OPEB Liability	145,932	41,993	165,748	5,558
Total OPEB Liability - Beginning	241,751	199,758	34,010	28,452
Total OPEB Liability - Ending	<u>\$ 387,683</u>	<u>\$ 241,751</u>	<u>\$ 199,758</u>	<u>\$ 34,010</u>
Covered Payroll	\$ 2,573,564	\$ 2,721,370	\$ 2,654,995	\$ 907,852
Total OPEB Liability as a Percentage of Covered Payroll	15.06%	8.88%	7.52%	3.75%

Notes to Schedule:

Changes of Assumptions

The following are the changes in assumptions for the year ended June 30, 2021:

- Changes of assumptions reflect a change in the discount rate from 2.21% in fiscal year 2020 to 2.16% in fiscal year 2021.

The following are the changes in assumptions for the year ended June 30, 2020:

- Changes of assumptions reflect a change in the discount rate from 3.50% in fiscal year 2019 to 2.21% in fiscal year 2020.
- The assumed long-term inflation expectation has been decreased from 2.50% to 2.25%.

The following are the changes in assumptions for the year ended June 30, 2019:

- The assumed increases in medical costs have been revised to 7.10% (PPO Red \$1,000 and \$2,000 Plans) and 7.20% (PPO Red \$3,000 and PPO White \$5,000) in the first year of the projection grading uniformly over a 10-year period to an ultimate rate of 5.00%. Previously, both plans were projected at 8.00% grading uniformly over a 5-year period to an ultimate rate of 5.00%.
- Changes of assumptions reflect a change in the discount rate from 3.56% in fiscal year 2018 to 3.87% at the beginning of fiscal year 2019 to 3.50% at the end of fiscal year 2019.
- The expected rate of compensation increases has been revised to 2.50% based upon the IMRF December 31, 2017 Actuarial Valuation and the TRS June 30, 2017 Actuarial Valuation.
- The percent of active employees assumed to continue participation from the active medical plan into the retiree medical plan upon retirement has been decreased to 30% (previously 40%) based on the current census information. Of the employees assumed to elect coverage in retirement, it is assumed 50% (previously 90%) will elect spousal coverage.
- If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan at 1/3 the rate of active employees currently with coverage.
- The mortality, retirement, termination, and disability tables were changed to reflect more current trends in IMRF and TRS populations.

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.

SUPPLEMENTAL INFORMATION

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 GENERAL FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2021

	General Operations	General State Aid	Even Start Local	High Roads Youth Programs	Local Galesburg Community Foundation
ASSETS					
Cash and cash equivalents	\$ 219,401	\$ 2,166,747	\$ 9,253	\$ 17,070	\$ 254
Due from other funds	-	153,468	-	-	-
Accounts receivable	-	10,000	-	-	-
Due from other governments	90,117	-	-	-	-
Total Assets	309,518	2,330,215	9,253	17,070	254
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 309,518	\$ 2,330,215	\$ 9,253	\$ 17,070	\$ 254
LIABILITIES					
Accounts payable	\$ 989	\$ -	\$ -	\$ -	\$ -
Accrued expenses	298	4,504	2,814	-	-
Total Liabilities	1,287	4,504	2,814	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	27,395	-	-	-	-
FUND BALANCE					
Assigned	-	-	6,439	17,070	254
Unassigned	280,836	2,325,711	-	-	-
Total Fund Balance	280,836	2,325,711	6,439	17,070	254
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 309,518	\$ 2,330,215	\$ 9,253	\$ 17,070	\$ 254

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 GENERAL FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2021

	American College Test (ACT) Class	Testing Center	TOTALS
ASSETS			
Cash and cash equivalents	\$ 11,240	\$ 9,795	\$ 2,433,760
Due from other funds	-	-	153,468
Accounts receivable	-	-	10,000
Due from other governments	-	-	90,117
Total Assets	11,240	9,795	2,687,345
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 11,240</u>	<u>\$ 9,795</u>	<u>\$ 2,687,345</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 989
Accrued expenses	-	-	7,616
Total Liabilities	-	-	8,605
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	27,395
FUND BALANCE			
Assigned	11,240	9,795	44,798
Unassigned	-	-	2,606,547
Total Fund Balance	11,240	9,795	2,651,345
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 11,240</u>	<u>\$ 9,795</u>	<u>\$ 2,687,345</u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
GENERAL FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	General Operations	General State Aid	Even Start Local	High Roads Youth Programs	Local Galesburg Community Foundation
REVENUES					
Local sources	\$ 252,880	\$ 71,318	\$ -	\$ 21,533	\$ -
State sources	-	701,148	144,217	-	-
On-behalf payments - State	294,224	-	-	-	-
Investment earnings	5,386	-	-	-	-
Total Revenues	552,490	772,466	144,217	21,533	-
EXPENDITURES					
Instructional services:					
Salaries and benefits	160,626	404,491	109,409	-	-
Pension expense	8,825	15,104	5,406	-	-
OPEB expense	735	93	-	-	-
Purchased services	56,782	11,234	17,103	3,900	-
Supplies and materials	5,878	5,930	17,784	2,094	-
Administrative:					
On-behalf payments - State	294,224	-	-	-	-
Intergovernmental:					
Payments to other governments	-	5,000	-	-	-
Capital outlay	5,711	628	-	-	-
Total Expenditures	532,781	442,480	149,702	5,994	-
NET CHANGE IN FUND BALANCE	19,709	329,986	(5,485)	15,539	-
FUND BALANCE - BEGINNING	261,127	1,995,725	11,924	1,531	254
FUND BALANCE - ENDING	\$ 280,836	\$ 2,325,711	\$ 6,439	\$ 17,070	\$ 254

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 GENERAL FUND ACCOUNTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021

	American College Test (ACT) Class	Testing Center	TOTALS
REVENUES			
Local sources	\$ -	\$ 870	\$ 346,601
State sources	-	-	845,365
On-behalf payments - State	-	-	294,224
Investment earnings	-	-	5,386
Total Revenues	-	870	1,491,576
EXPENDITURES			
Instructional services:			
Salaries and benefits	-	-	674,526
Pension expense	-	-	29,335
OPEB expense	-	-	828
Purchased services	-	-	89,019
Supplies and materials	-	-	31,686
Administrative:			
On-behalf payments - State	-	-	294,224
Intergovernmental:			
Payments to other governments	-	-	5,000
Capital outlay	-	-	6,339
Total Expenditures	-	-	1,130,957
NET CHANGE IN FUND BALANCE	-	870	360,619
FUND BALANCE - BEGINNING	11,240	8,925	2,290,726
FUND BALANCE - ENDING	\$ 11,240	\$ 9,795	\$ 2,651,345

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2021

	McKinney Education for Homeless Children	Title II - Teacher Leadership	Title II - Teacher Quality	Regional Safe Schools	Regional Safe Schools Cooperative
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 171	\$ 9,543	\$ 240,398
Due from other governments	5,985	814	-	-	-
Total Assets	5,985	814	171	9,543	240,398
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,985	\$ 814	\$ 171	\$ 9,543	\$ 240,398
LIABILITIES					
Accounts payable	\$ 1,748	\$ -	\$ -	\$ -	\$ 945
Accrued expenses	348	-	-	5,033	42
Due to other funds	4,394	418	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	2,131	239,411
Total Liabilities	6,490	418	-	7,164	240,398
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
FUND BALANCE (DEFICIT)					
Restricted	-	396	171	2,379	-
Unassigned	(505)	-	-	-	-
Total Fund Balance (Deficit)	(505)	396	171	2,379	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)	\$ 5,985	\$ 814	\$ 171	\$ 9,543	\$ 240,398

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2021

	ROE/ISC Operations	Title I - Foundational Services	Truants Alternative Education	State Free Lunch and Breakfast	National School Lunch Program
ASSETS					
Cash and cash equivalents	\$ 25,697	\$ 2,085	\$ 13,113	\$ 493	\$ -
Due from other governments	-	-	-	-	-
Total Assets	<u>25,697</u>	<u>2,085</u>	<u>13,113</u>	<u>493</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 25,697</u>	<u>\$ 2,085</u>	<u>\$ 13,113</u>	<u>\$ 493</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ 479	\$ -	\$ -	\$ -	\$ -
Accrued expenses	105	-	2,816	-	-
Due to other funds	-	-	-	-	626
Due to other governments	-	-	-	-	-
Unearned revenue	25,113	2,085	10,297	-	-
Total Liabilities	<u>25,697</u>	<u>2,085</u>	<u>13,113</u>	<u>-</u>	<u>626</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	493	-
Unassigned	-	-	-	-	(626)
Total Fund Balance (Deficit)	-	-	-	<u>493</u>	<u>(626)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)	<u>\$ 25,697</u>	<u>\$ 2,085</u>	<u>\$ 13,113</u>	<u>\$ 493</u>	<u>\$ -</u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2021

	School Breakfast Program	Early Childhood Grant (3705-00)	Early Childhood Block Grant (3705-01)	Early Childhood - Monitoring	Title IV 21st Century Community Learning Center (4421 - 13)
ASSETS					
Cash and cash equivalents	\$ 6,589	\$ 823,593	\$ 192,141	\$ 581,346	\$ -
Due from other governments	-	210,363	-	-	30,916
Total Assets	6,589	1,033,956	192,141	581,346	30,916
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,589	\$ 1,033,956	\$ 192,141	\$ 581,346	\$ 30,916
LIABILITIES					
Accounts payable	-	\$ 2,879	\$ 20,903	\$ 6,134	\$ -
Accrued expenses	-	21,476	34,317	8,305	15,227
Due to other funds	-	-	-	-	8,343
Due to other governments	-	1,005,379	-	470,917	1,650
Unearned revenue	-	-	136,295	95,990	-
Total Liabilities	-	1,029,734	191,515	581,346	25,220
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
FUND BALANCE (DEFICIT)					
Restricted	6,589	4,222	626	-	5,696
Unassigned	-	-	-	-	-
Total Fund Balance (Deficit)	6,589	4,222	626	-	5,696
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)	\$ 6,589	\$ 1,033,956	\$ 192,141	\$ 581,346	\$ 30,916

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2021

	Title IV 21st Century Community Learning Center (4421 - 15)	Title IV 21st Century Community Learning Center (4421 - 19)	Adult Education and Family Literacy - State Basic	Adult Education and Family Literacy - State Performance	Adult Education and Family Literacy - Pilot Grant
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 4,940	\$ 1,246	\$ 1,672
Due from other governments	43,403	115,133	-	-	-
Total Assets	43,403	115,133	4,940	1,246	1,672
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 43,403	\$ 115,133	\$ 4,940	\$ 1,246	\$ 1,672
LIABILITIES					
Accounts payable	\$ 1,438	\$ 4,223	\$ -	\$ 139	\$ -
Accrued expenses	19,277	47,826	7,019	428	-
Due to other funds	22,473	55,482	-	-	-
Due to other governments	215	7,602	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	43,403	115,133	7,019	567	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	679	1,672
Unassigned	-	-	(2,079)	-	-
Total Fund Balance (Deficit)	-	-	(2,079)	679	1,672
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)	\$ 43,403	\$ 115,133	\$ 4,940	\$ 1,246	\$ 1,672

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2021

	Federal Adult Education - Basic	Federal Adult Education - EL Civics	Federal Adult Education - CURES	Federal Adult Education - Bridges	Performance Evaluation Advisory Council (PEAC)
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 24	\$ 27,827	\$ -
Due from other governments	49,557	10,356	-	-	-
Total Assets	49,557	10,356	24	27,827	-
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 49,557	\$ 10,356	\$ 24	\$ 27,827	\$ -
LIABILITIES					
Accounts payable	\$ 15	\$ 4	\$ -	\$ -	\$ 402
Accrued expenses	7,905	1,076	-	6,788	-
Due to other funds	20,669	11,345	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	21,039	-
Total Liabilities	28,589	12,425	-	27,827	402
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	49,557	10,356	-	-	-
FUND BALANCE (DEFICIT)					
Restricted	-	-	24	-	-
Unassigned	(28,589)	(12,425)	-	-	(402)
Total Fund Balance (Deficit)	(28,589)	(12,425)	24	-	(402)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)	\$ 49,557	\$ 10,356	\$ 24	\$ 27,827	\$ -

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2021

	Knox County Mental Health Board	Advanced	Workforce Innovation and Opportunity Act (WIOA)	Elementary and Secondary School Emergency Relief Grant	IHSA Parent Café
ASSETS					
Cash and cash equivalents	\$ 41	\$ -	\$ -	\$ -	\$ 875
Due from other governments	-	-	11,473	-	-
Total Assets	41	-	11,473	-	875
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 41	\$ -	\$ 11,473	\$ -	\$ 875
LIABILITIES					
Accounts payable	\$ 40	\$ -	\$ 56	\$ -	\$ -
Accrued expenses	49	-	734	-	-
Due to other funds	-	-	17,629	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	89	-	18,419	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	11,473	-	-
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	-	875
Unassigned	(48)	-	(18,419)	-	-
Total Fund Balance (Deficit)	(48)	-	(18,419)	-	875
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)	\$ 41	\$ -	\$ 11,473	\$ -	\$ 875

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2021

	Workplace Skills Assessment	Governor's Emergency Education Relief	Elementary and Secondary School Digital Professional Learning	Elementary and Secondary School Digital Equity	TOTALS
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,931,794
Due from other governments	-	9,447	5,240	5,123	497,810
Total Assets	-	9,447	5,240	5,123	2,429,604
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 9,447	\$ 5,240	\$ 5,123	\$ 2,429,604
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 39,405
Accrued expenses	8	-	-	-	178,779
Due to other funds	-	1,726	5,240	5,123	153,468
Due to other governments	-	7,721	-	-	1,493,484
Unearned revenue	-	-	-	-	532,361
Total Liabilities	8	9,447	5,240	5,123	2,397,497
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	7,721	-	-	79,107
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	-	23,822
Unassigned	(8)	(7,721)	-	-	(70,822)
Total Fund Balance (Deficit)	(8)	(7,721)	-	-	(47,000)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)	\$ -	\$ 9,447	\$ 5,240	\$ 5,123	\$ 2,429,604

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND ACCOUNTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021

	McKinney Education for Homeless Children	Title II - Teacher Leadership	Title II - Teacher Quality	Regional Safe Schools	Regional Safe Schools Cooperative
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	59,668	37,134
Federal sources	24,582	814	-	-	-
Total Revenues	<u>24,582</u>	<u>814</u>	<u>-</u>	<u>59,668</u>	<u>37,134</u>
EXPENDITURES					
Instructional services:					
Salaries and benefits	10,581	-	-	55,818	32,522
Pension expense	704	-	-	3,446	309
OPEB expense	-	-	-	-	-
Purchased services	9,515	814	-	404	1,717
Supplies and materials	4,288	-	-	-	2,586
Intergovernmental:					
Payments to other governments	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>25,088</u>	<u>814</u>	<u>-</u>	<u>59,668</u>	<u>37,134</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(506)	-	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	1	396	171	2,379	-
FUND BALANCE (DEFICIT) - ENDING	<u><u>(505)</u></u>	<u><u>396</u></u>	<u><u>171</u></u>	<u><u>2,379</u></u>	<u><u>\$ -</u></u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND ACCOUNTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021

	ROE/ISC Operations	Title I - Foundational Services	Truants Alternative Education	State Free Lunch and Breakfast	National School Lunch Program
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	88,675	-	132,996	73	-
Federal sources	-	-	-	-	3,355
Total Revenues	88,675	-	132,996	73	3,355
EXPENDITURES					
Instructional services:					
Salaries and benefits	61,468	-	106,109	-	-
Pension expense	1,845	-	5,902	-	-
OPEB expense	178	-	119	-	-
Purchased services	4,175	-	13,333	-	-
Supplies and materials	591	-	7,533	-	4,472
Intergovernmental:					
Payments to other governments	20,418	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	88,675	-	132,996	-	4,472
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-	73	(1,117)
FUND BALANCE (DEFICIT) - BEGINNING	-	-	-	420	491
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ -	\$ 493	\$ (626)

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND ACCOUNTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021

	School Breakfast Program	Early Childhood Grant (3705-00)	Early Childhood Block Grant (3705-01)	Early Childhood - Childhood - Monitoring	Title IV 21st Century Community Learning Center (4421 - 13)
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	2,792,998	1,478,817	1,793,557	-
Federal sources	2,025	-	-	-	142,668
Total Revenues	<u>2,025</u>	<u>2,792,998</u>	<u>1,478,817</u>	<u>1,793,557</u>	<u>142,668</u>
EXPENDITURES					
Instructional services:					
Salaries and benefits	-	289,068	1,011,462	345,213	98,790
Pension expense	-	10,502	61,077	15,055	7,712
OPEB expense	-	742	-	740	428
Purchased services	2,231	39,376	173,910	95,026	6,671
Supplies and materials	-	48,175	201,207	150,566	25,917
Intergovernmental:					
Payments to other governments	-	2,404,616	-	1,166,178	3,150
Capital outlay	-	519	31,161	20,779	-
Total Expenditures	<u>2,231</u>	<u>2,792,998</u>	<u>1,478,817</u>	<u>1,793,557</u>	<u>142,668</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(206)	-	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	6,795	4,222	626	-	5,696
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 6,589</u>	<u>\$ 4,222</u>	<u>\$ 626</u>	<u>\$ -</u>	<u>\$ 5,696</u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND ACCOUNTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021

	Title IV 21st Century Community Learning Center (4421 - 15)	Title IV 21st Century Community Learning Center (4421 - 19)	Adult Education and Family Literacy - State Basic	Adult Education and Family Literacy - State Performance	Adult Education and Family Literacy - Pilot Grant
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	155,918	42,885	-
Federal sources	217,656	429,180	-	-	-
Total Revenues	<u>217,656</u>	<u>429,180</u>	<u>155,918</u>	<u>42,885</u>	<u>-</u>
EXPENDITURES					
Instructional services:					
Salaries and benefits	163,220	323,488	139,530	36,304	-
Pension expense	11,683	19,080	8,842	2,110	-
OPEB expense	445	895	-	-	-
Purchased services	6,139	16,041	2,964	3,398	-
Supplies and materials	32,270	53,954	4,883	1,398	-
Intergovernmental:					
Payments to other governments	3,300	15,722	-	-	-
Capital outlay	599	-	1,778	-	-
Total Expenditures	<u>217,656</u>	<u>429,180</u>	<u>157,997</u>	<u>43,210</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	(2,079)	(325)	-
FUND BALANCE (DEFICIT) - BEGINNING	-	-	-	1,004	1,672
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,079)</u>	<u>\$ 679</u>	<u>\$ 1,672</u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND ACCOUNTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021

	Federal Adult Education - Basic	Federal Adult Education - EL Civics	Federal Adult Education - CURES	Adult Education - Bridges	Performance Evaluation Advisory Council (PEAC)
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	59,618	39,278
Federal sources	223,278	68,129	7,474	-	-
Total Revenues	<u>223,278</u>	<u>68,129</u>	<u>7,474</u>	<u>59,618</u>	<u>39,278</u>
EXPENDITURES					
Instructional services:					
Salaries and benefits	89,603	34,064	-	52,690	-
Pension expense	2,502	1,499	-	3,034	-
OPEB expense	95	71	-	-	-
Purchased services	2,735	294	-	2,817	13,419
Supplies and materials	5,294	2,729	2,476	1,077	-
Intergovernmental:					
Payments to other governments	-	-	-	-	-
Capital outlay	7,598	-	4,974	-	-
Total Expenditures	<u>107,827</u>	<u>38,657</u>	<u>7,450</u>	<u>59,618</u>	<u>13,419</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	115,451	29,472	24	-	25,859
FUND BALANCE (DEFICIT) - BEGINNING	(144,040)	(41,897)	-	-	(26,261)
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (28,589)</u>	<u>\$ (12,425)</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ (402)</u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND ACCOUNTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021

	Knox County Mental Health Board	AdvancED	Workforce Innovation and Opportunity Act (WIOA)	Elementary and Secondary School Emergency Relief Grant	IHSA Parent Café
REVENUES					
Local sources	\$ 193,354	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	2,860
Federal sources	-	828	37,684	1,600	-
Total Revenues	193,354	828	37,684	1,600	2,860
EXPENDITURES					
Instructional services:					
Salaries and benefits	102,202	-	48,668	-	44
Pension expense	6,113	-	-	-	-
OPEB expense	-	-	-	-	-
Purchased services	33,091	828	3,838	-	-
Supplies and materials	20,241	-	298	206	1,941
Intergovernmental:					
Payments to other governments	31,755	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	193,402	828	52,804	206	1,985
NET CHANGE IN FUND BALANCE (DEFICIT)	(48)	-	(15,120)	1,394	875
FUND BALANCE (DEFICIT) - BEGINNING	-	-	(3,299)	(1,394)	-
FUND BALANCE (DEFICIT) - ENDING	\$(48)	\$ -	\$(18,419)	\$ -	\$ 875

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 EDUCATION FUND ACCOUNTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021

	Workplace Skills Assessment	Governor's Emergency Education Relief	Elementary and Secondary School Digital Professional Learning	Elementary and Secondary School Digital Equity	TOTALS
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 193,354
State sources	8,682	-	-	-	6,693,159
Federal sources	-	86,013	5,240	33,177	1,283,703
Total Revenues	8,682	86,013	5,240	33,177	8,170,216
EXPENDITURES					
Instructional services:					
Salaries and benefits	5,790	-	-	-	3,006,634
Pension expense	2,309	-	-	-	163,724
OPEB expense	-	-	-	-	3,713
Purchased services	42	-	5,000	9,181	446,959
Supplies and materials	549	20,526	240	22,838	616,255
Intergovernmental:					
Payments to other governments	-	73,208	-	-	3,718,347
Capital outlay	-	-	-	1,158	68,566
Total Expenditures	8,690	93,734	5,240	33,177	8,024,198
NET CHANGE IN FUND BALANCE (DEFICIT)	(8)	(7,721)	-	-	146,018
FUND BALANCE (DEFICIT) - BEGINNING	-	-	-	-	(193,018)
FUND BALANCE (DEFICIT) - ENDING	\$ (8)	\$ (7,721)	\$ -	\$ -	\$ (47,000)

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 14,332	\$ 25,568	\$ 24,582
EXPENDITURES			
Instructional services:			
Salaries and benefits	9,254	13,683	10,581
Pension expense	-	-	704
Purchased services	3,809	8,809	9,515
Supplies and materials	1,269	3,076	4,288
Total Expenditures	14,332	25,568	25,088
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	(506)
FUND BALANCE - BEGINNING	-	-	1
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ (505)

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE II - TEACHER LEADERSHIP
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 814	\$ 814	\$ 814
EXPENDITURES			
Instructional services:			
Purchased services	814	814	814
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	396
FUND BALANCE - ENDING	\$ -	\$ -	\$ 396

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 59,536	\$ 59,536	\$ 59,668
EXPENDITURES			
Instructional services:			
Salaries and benefits	59,003	59,003	55,818
Pension expense	-	-	3,446
Purchased services	533	533	404
Total Expenditures	59,536	59,536	59,668
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	2,379
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,379

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS COOPERATIVE
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 37,569	\$ 37,569	\$ 37,134
EXPENDITURES			
Instructional services:			
Salaries and benefits	31,853	31,853	32,522
Pension expense	-	-	309
Purchased services	2,344	2,344	1,717
Supplies and materials	3,372	3,372	2,586
Total Expenditures	37,569	37,569	37,134
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ROE/ISC OPERATIONS
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 110,503	\$ 110,503	\$ 88,675
EXPENDITURES			
Instructional services:			
Salaries and benefits	84,016	77,216	61,468
Pension expense	-	-	1,845
OPEB expense	-	-	178
Purchased services	4,287	10,787	4,175
Supplies and materials	2,200	2,500	591
Intergovernmental:			
Payments to other governments	20,000	20,000	20,418
Total Expenditures	110,503	110,503	88,675
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TRUANTS ALTERNATIVE EDUCATION
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 142,312	\$ 142,312	\$ 132,996
EXPENDITURES			
Instructional services:			
Salaries and benefits	121,493	117,493	106,109
Pension expense	-	-	5,902
OPEB expense	-	-	119
Purchased services	20,284	14,784	13,333
Supplies and materials	535	10,035	7,533
Total Expenditures	142,312	142,312	132,996
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 EARLY CHILDHOOD GRANT (3705-00)
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 2,564,879	\$ 2,564,879	\$ 2,792,998
EXPENDITURES			
Instructional services:			
Salaries and benefits	321,369	310,469	289,068
Pension expense	-	-	10,502
OPEB expense	-	-	742
Purchased services	37,905	42,405	39,376
Supplies and materials	13,300	19,700	48,175
Intergovernmental:			
Payments to other governments	2,191,305	2,191,305	2,404,616
Capital outlay	1,000	1,000	519
Total Expenditures	2,564,879	2,564,879	2,792,998
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	4,222
FUND BALANCE - ENDING	\$ -	\$ -	\$ 4,222

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 EARLY CHILDHOOD BLOCK GRANT (3705-01)
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 1,359,256	\$ 1,359,256	\$ 1,478,817
EXPENDITURES			
Instructional services:			
Salaries and benefits	1,204,103	1,092,403	1,011,462
Pension expense	-	-	61,077
Purchased services	120,734	110,734	173,910
Supplies and materials	28,274	114,974	201,207
Capital outlay	6,145	41,145	31,161
Total Expenditures	<u>1,359,256</u>	<u>1,359,256</u>	<u>1,478,817</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>626</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 626</u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 EARLY CHILDHOOD - MONITORING
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 1,647,160	\$ 1,647,160	\$ 1,793,557
EXPENDITURES			
Instructional services:			
Salaries and benefits	402,373	393,668	345,213
Pension expense	-	-	15,055
OPEB expense	-	-	740
Purchased services	54,953	61,158	95,026
Supplies and materials	92,261	94,761	150,566
Intergovernmental:			
Payments to other governments	1,090,173	1,090,173	1,166,178
Capital outlay	7,400	7,400	20,779
Total Expenditures	1,647,160	1,647,160	1,793,557
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE IV 21ST CENTURY COMMUNITY LEARNING CENTER (4421-13)
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 150,000	\$ 156,950	\$ 142,668
EXPENDITURES			
Instructional services:			
Salaries and benefits	107,037	112,537	98,790
Pension expense	-	-	7,712
OPEB expense	-	-	428
Purchased services	16,723	11,773	6,671
Supplies and materials	13,690	28,790	25,917
Intergovernmental:			
Payments to other governments	12,550	3,850	3,150
Total Expenditures	150,000	156,950	142,668
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	5,696
FUND BALANCE - ENDING	\$ -	\$ -	\$ 5,696

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE IV 21ST CENTURY COMMUNITY LEARNING CENTER (4421-15)
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 225,000	\$ 244,405	\$ 217,656
EXPENDITURES			
Instructional services:			
Salaries and benefits	191,667	186,296	163,220
Pension expense	-	-	11,683
OPEB expense	-	-	445
Purchased services	12,996	8,325	6,139
Supplies and materials	9,587	43,964	32,270
Intergovernmental:			
Payments to other governments	10,750	5,820	3,300
Capital outlay	-	-	599
Total Expenditures	225,000	244,405	217,656
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE IV 21ST CENTURY COMMUNITY LEARNING CENTER (4421-19)
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 450,000	\$ 470,499	\$ 429,180
EXPENDITURES			
Instructional services:			
Salaries and benefits	292,157	349,179	323,488
Pension expense	-	-	19,080
OPEB expense	-	-	895
Purchased services	30,186	17,224	16,041
Supplies and materials	57,957	79,983	53,954
Intergovernmental:			
Payments to other governments	69,700	24,113	15,722
Total Expenditures	450,000	470,499	429,180
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION AND FAMILY LITERACY - STATE BASIC
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 148,812	\$ 148,812	\$ 155,918
EXPENDITURES			
Instructional services:			
Salaries and benefits	147,612	147,612	139,530
Pension expense	-	-	8,842
Purchased services	-	-	2,964
Supplies and materials	1,200	1,200	4,883
Capital outlay	-	-	1,778
Total Expenditures	148,812	148,812	157,997
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	(2,079)
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ (2,079)

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION AND FAMILY LITERACY - STATE PERFORMANCE
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 42,885	\$ 42,885	\$ 42,885
EXPENDITURES			
Instructional services:			
Salaries and benefits	38,314	38,314	36,304
Pension expense	-	-	2,110
Purchased services	2,985	2,985	3,398
Supplies and materials	1,586	1,586	1,398
Total Expenditures	<u>42,885</u>	<u>42,885</u>	<u>43,210</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	(325)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>1,004</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 679</u></u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 FEDERAL ADULT EDUCATION - BASIC
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 106,468	\$ 106,468	\$ 223,278
EXPENDITURES			
Instructional services:			
Salaries and benefits	102,013	102,013	89,603
Pension expense	-	-	2,502
OPEB expense	-	-	95
Purchased services	1,500	1,730	2,735
Supplies and materials	2,955	2,725	5,294
Capital outlay	-	-	7,598
Total Expenditures	106,468	106,468	107,827
NET CHANGE IN FUND BALANCE	-	-	115,451
FUND BALANCE (DEFICIT) - BEGINNING	-	-	(144,040)
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ (28,589)

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 FEDERAL ADULT EDUCATION - EL CIVICS
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 38,040	\$ 38,040	\$ 68,129
EXPENDITURES			
Instructional services:			
Salaries and benefits	35,312	35,312	34,064
Pension expense	-	-	1,499
OPEB expense	-	-	71
Purchased services	-	-	294
Supplies and materials	2,728	2,728	2,729
Total Expenditures	<u>38,040</u>	<u>38,040</u>	<u>38,657</u>
NET CHANGE IN FUND BALANCE	-	-	29,472
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(41,897)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,425)</u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 PERFORMANCE EVALUATION ADVISORY COUNCIL (PEAC)
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 180,000	\$ 180,000	\$ 39,278
EXPENDITURES			
Instructional services:			
Salaries and benefits	36,250	36,250	-
Purchased services	126,250	126,250	13,419
Supplies and materials	17,500	17,500	-
Total Expenditures	180,000	180,000	13,419
NET CHANGE IN FUND BALANCE	-	-	25,859
FUND BALANCE (DEFICIT) - BEGINNING	-	-	(26,261)
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ (402)

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ADVANCED
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 7,500	\$ 7,500	\$ 828
EXPENDITURES			
Instructional services:			
Purchased services	7,500	7,500	828
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 77,280	\$ 77,280	\$ 37,684
EXPENDITURES			
Instructional services:			
Salaries and benefits	52,621	52,621	48,668
Pension expense	-	-	-
Purchased services	23,169	23,169	3,838
Supplies and materials	1,490	1,490	298
Total Expenditures	77,280	77,280	52,804
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	(15,120)
FUND BALANCE (DEFICIT) - BEGINNING	-	-	(3,299)
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ (18,419)

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF GRANT
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 1,600	\$ 1,600	\$ 1,600
EXPENDITURES			
Instructional services:			
Supplies and materials	1,600	1,600	206
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	1,394
FUND BALANCE (DEFICIT) - BEGINNING	-	-	(1,394)
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 GOVERNOR'S EMERGENCY EDUCATION RELIEF
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 94,230	\$ 94,230	\$ 86,013
EXPENDITURES			
Instructional services:			
Supplies and materials	20,994	20,994	20,526
Intergovernmental:			
Payments to other governments	73,236	73,236	73,208
Total Expenditures	94,230	94,230	93,734
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	(7,721)
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ (7,721)

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ELEMENTARY AND SECONDARY SCHOOL DIGITAL PROFESSIONAL LEARNING
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 5,240	\$ 5,240	\$ 5,240
EXPENDITURES			
Instructional services:			
Purchased services	5,000	5,000	5,000
Supplies and materials	240	240	240
Total Expenditures	5,240	5,240	5,240
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ELEMENTARY AND SECONDARY SCHOOL DIGITAL EQUITY
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 33,177	\$ 33,177	\$ 33,177
EXPENDITURES			
Instructional services:			
Purchased services	10,011	9,180	9,181
Supplies and materials	23,166	22,839	22,838
Capital outlay	-	1,158	1,158
Total Expenditures	33,177	33,177	33,177
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2021

	General Education Development	Bus Driver Training	Institute	TOTALS
ASSETS				
Cash and cash equivalents	\$ 5,283	\$ 20,807	\$ 180,436	\$ 206,526
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,283</u>	<u>\$ 20,807</u>	<u>\$ 180,436</u>	<u>\$ 206,526</u>
LIABILITIES				
Accrued expenses	\$ -	\$ 2	\$ 28	\$ 30
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
FUND BALANCE				
Restricted	5,283	20,805	180,408	206,496
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 5,283</u>	<u>\$ 20,807</u>	<u>\$ 180,436</u>	<u>\$ 206,526</u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021

	General Education Development	Bus Driver Training	Institute	TOTALS
REVENUES				
Local sources	\$ 1,328	\$ 2,000	\$ 25,759	\$ 29,087
State sources	-	1,276	-	1,276
Total Revenues	1,328	3,276	25,759	30,363
EXPENDITURES				
Instructional services:				
Salaries and benefits	-	1,593	13,157	14,750
Pension expense	-	-	917	917
Purchased services	-	1,135	64	1,199
Supplies and materials	-	-	1,100	1,100
Total Expenditures	-	2,728	15,238	17,966
NET CHANGE IN FUND BALANCE	1,328	548	10,521	12,397
FUND BALANCE - BEGINNING	3,955	20,257	169,887	194,099
FUND BALANCE - ENDING	\$ 5,283	\$ 20,805	\$ 180,408	\$ 206,496

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 NONMAJOR PROPRIETARY FUNDS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		TOTALS
	Staff Development	Criminal Background Investigation	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 44,582	\$ 49,785	\$ 94,367
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
LIABILITIES			
Current liabilities:			
Due to other governments	-	1,384	1,384
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
NET POSITION			
Unrestricted	\$ 44,582	\$ 48,401	\$ 92,983

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 NONMAJOR PROPRIETARY FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds		TOTALS
	Staff Development	Criminal Background Investigation	
OPERATING REVENUES			
Fees for services	\$ 2,486	\$ 16,531	\$ 19,017
OPERATING EXPENSES			
Purchased services	39	10,383	10,422
Supplies and materials	353	-	353
Total Operating Expenses	392	10,383	10,775
OPERATING INCOME	2,094	6,148	8,242
NET POSITION - BEGINNING	42,488	42,253	84,741
NET POSITION - ENDING	\$ 44,582	\$ 48,401	\$ 92,983

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 NONMAJOR PROPRIETARY FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		TOTALS
	Staff Development	Criminal Background Investigation	
Cash Flows from Operating Activities:			
Receipts from customers	\$ 2,486	\$ 16,531	\$ 19,017
Payments to suppliers and providers of goods and services	(392)	(9,027)	(9,419)
Net Cash Provided by Operating Activities	<u>2,094</u>	<u>7,504</u>	<u>9,598</u>
Increase in Cash and Cash Equivalents	2,094	7,504	9,598
Cash and cash equivalents - Beginning	<u>42,488</u>	<u>42,281</u>	<u>84,769</u>
Cash and cash equivalents - Ending	<u>\$ 44,582</u>	<u>\$ 49,785</u>	<u>\$ 94,367</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 2,094	\$ 6,148	\$ 8,242
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Increase/(decrease) in liabilities:			
Due to other governments	-	1,356	1,356
Net Cash Provided by Operating Activities	<u>\$ 2,094</u>	<u>\$ 7,504</u>	<u>\$ 9,598</u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2021

	School Facility Occupation Tax	Delabar CTE System	Total
ASSETS			
Cash and cash equivalents	\$ 249	\$ 214,396	\$ 214,645
Due from other governments	1,947,707	-	1,947,707
TOTAL ASSETS	1,947,956	214,396	2,162,352
LIABILITIES			
Accounts payable	-	389	389
Due to other governments	1,947,707	-	1,947,707
TOTAL LIABILITIES	1,947,707	389	1,948,096
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	249	214,007	214,256
TOTAL NET POSITION	\$ 249	\$ 214,007	\$ 214,256

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	School Facility Occupation Tax	Delabar CTE System	Total
ADDITIONS			
Local source income	\$ -	\$ 8,658	\$ 8,658
Sales tax collections for other governments	6,733,685	-	6,733,685
State and federal grants	-	606,296	606,296
Total Additions	<u>6,733,685</u>	<u>614,954</u>	<u>7,348,639</u>
DEDUCTIONS			
Grant expenditures	-	677,247	677,247
Payments of sales tax to other governments	6,733,685	-	6,733,685
Total Deductions	<u>6,733,685</u>	<u>677,247</u>	<u>7,410,932</u>
CHANGE IN NET POSITION	-	(62,293)	(62,293)
NET POSITION - BEGINNING			
As previously reported	-	-	-
Prior period adjustment (see Note 15)	249	276,300	276,549
As adjusted	<u>249</u>	<u>276,300</u>	<u>276,549</u>
NET POSITION - ENDING	<u>\$ 249</u>	<u>\$ 214,007</u>	<u>\$ 214,256</u>

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 33
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/ Pass-Through Grantor, Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture			
Passed-Through Illinois State Board of Education			
Child Nutrition Cluster			
National School Lunch Program			
National School Lunch Program	10.555	20-4210-00	\$ 396
National School Lunch Program	10.555	21-4210-00	2,959
			<u>3,355</u>
School Breakfast Program			
School Breakfast Program	10.553	20-4220-00	226
School Breakfast Program	10.553	21-4220-00	1,799
			<u>2,025</u>
Total Child Nutrition Cluster			<u>5,380</u>
Total U.S. Department of Agriculture			<u>5,380</u>
U.S. Department of Labor			
Passed-Through Workforce Office of Western Illinois			
Workforce Innovation and Opportunity Act (WIOA) Cluster			
Workforce Innovation and Opportunity Act (WIOA) Adult Program			
Workforce Innovation and Opportunity Act (WIOA)	17.258	18-04	14,844
Workforce Innovation and Opportunity Act (WIOA) Youth Activities			
Workforce Innovation and Opportunity Act (WIOA)	17.259	19-03	22,840
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			<u>37,684</u>
Total U.S. Department of Labor			<u>37,684</u>
U.S. Department of the Treasury			
Passed-Through Illinois Community College Board			
Coronavirus Relief Fund			
COVID 19 - Federal Adult Education - CURES	21.019	684-00-2499	7,450
Total U.S. Department of the Treasury			<u>7,450</u>
U.S. Department of Education			
Passed-Through Illinois Community College Board			
Adult Education - Basic Grants to States			
Federal Adult Education - Basic	84.002	684-01-1625	107,827
Federal Adult Education - EL Civics	84.002	684-01-1625	38,657
Total Adult Education - Basic Grants to States			<u>146,484</u>
Passed-Through Regional Office of Education No. 26			
Education for Homeless Children and Youth			
McKinney Education for Homeless Children	84.196A	21-4920-00	25,087
Passed-Through Illinois State Board of Education			
Title I Grants to Local Educational Agencies			
AdvancED	84.010A	S010A170013	828
			<u>828</u>
Passed-Through Illinois State Board of Education			
Twenty-First Century Community Learning Centers			
Twenty-First Century Community Learning Centers	M 84.287C	20-4421-13	44,142
Twenty-First Century Community Learning Centers	M 84.287C	20-4421-15	34,046
Twenty-First Century Community Learning Centers	M 84.287C	20-4421-19	55,166
Twenty-First Century Community Learning Centers	M 84.287C	21-4421-13	98,526
Twenty-First Century Community Learning Centers	M 84.287C	21-4421-15	183,610
Twenty-First Century Community Learning Centers	M 84.287C	21-4421-19	374,014
Total Twenty-First Century Community Learning Centers			<u>789,504</u>
Supporting Effective Instruction State Grants			
(formerly Improving Teacher Quality State Grants)			
Title II Teacher Quality Leadership	84.367A	21-4935-02	814
Education Stabilization Fund			
COVID - 19 Elementary and Secondary School Emergency Relief Grant	84.425D	20-4998-ER	206
COVID - 19 Elementary and Secondary School Digital Equity	84.425D	21-4998-DG	33,177
COVID - 19 Governor's Emergency Education Relief	84.425C	21-4998-EC	93,734
COVID - 19 Elementary and Secondary School Digital Professional Learning	84.425D	21-4998-PL	5,240
Total Education Stabilization Fund			<u>132,357</u>
Total U.S. Department of Education			<u>1,095,074</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,145,588

(M) Program was audited as a major program

The accompanying notes are an integral part of this schedule.

HENDERSON, KNOX, MERCER, AND WARREN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 33
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

NOTE 1 – REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33 under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Regional Office of Education No. 33, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Regional Office of Education No. 33.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Henderson, Knox, Mercer, and Warren Counties Regional Office of Education No. 33 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.