



**STATE OF ILLINOIS  
FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26**

**FINANCIAL AUDIT  
For the Year Ended June 30, 2021**

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26**

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**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
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**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26**

**OFFICIALS**

Regional Superintendent  
(current and during the audit period)

Mr. John Meixner

Assistant Regional Superintendent  
(current and during the audit period)

Mr. Dave Demler

Offices are located at:

130 South LaFayette Street, Suite 200  
Macomb, Illinois 61455

735 E. Locust Street  
Canton, Illinois 61520

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
FINANCIAL REPORT SUMMARY**

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

**AUDITOR’S REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

<b><u>Number of</u></b>	<b><u>This Audit</u></b>	<b><u>Prior Audit</u></b>
Audit findings	4	4
Repeated audit findings	3	3
Prior recommendations implemented or not repeated	1	0

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

**SUMMARY OF FINDINGS AND RESPONSES**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
<i>Findings (Government Auditing Standards)</i>			
2021-001	12	Inadequate Internal Controls over Inventory	Material Weakness
2021-002	13	Controls over Financial Statement Preparation	Material Weakness
2021-003	15	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency
2021-004	17	Delay of Audit	Noncompliance
<i>Prior Audit Findings not Repeated (Government Auditing Standards)</i>			
2020-002	23	Inadequate Controls over Internal Control Procedures	Significant Deficiency

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
FINANCIAL REPORT SUMMARY (CONCLUDED)**

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on March 22, 2022. Attending from the Regional Office of Education No. 26 were John Meixner, Regional Superintendent; David Demler, Assistant Regional Superintendent; Deb Wright, Chief Bookkeeper; and Lori Warden, Licensure Specialist; and from Adelfia LLC were Jennifer Roan and Maria Divina Valera, Partners. Responses to the recommendations were provided by John Meixner, Regional Superintendent, on July 21, 2022.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26 was performed by Adelfia LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26's basic financial statements, except for qualified opinions on the Business-Type Activities and the Western Area Purchasing Co-op Enterprise Fund.





## 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 Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26'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.

### **Basis for Qualified Opinions on the Business-Type Activities and the Western Area Purchasing Co-op Enterprise Fund**

We did not observe the taking of the physical inventories in the Western Area Purchasing Co-op enterprise fund, since the Regional Office does not perform a physical inventory count at year end. Because of the inadequacy of accounting records related to inventory, we were unable to obtain sufficient appropriate audit evidence about inventory quantities using other auditing procedures. The inventory quantities affect the amounts due from and due to other governments, the revenues, expenses, and the fund balance in the Western Area Purchasing Co-op enterprise fund. The amounts by which due from other governments, due to other governments, revenues, expenses, and fund balance would be affected have not been determined.

### **Qualified Opinions**

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinions on the Business-Type Activities and the Western Area Purchasing Co-op Enterprise Fund paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the Western Area Purchasing Co-op enterprise fund of the Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26 , 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.

### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major governmental fund, and the aggregate remaining fund information of the Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26 , 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.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, for the year ended June 30, 2021, the Regional Office of Education No. 26 implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

### **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 Employer’s Proportionate Share of the Collective Net Other Postemployment Benefit Liability & Schedule of Employer Contributions, Western Area School Health Benefit Plan – Schedule of Changes in the Total OPEB Liability and Related Ratio & Schedule of Employer Contributions on pages 86 through 94 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 Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26’s basic financial statements. The combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School

District Treasurers and Other Entities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2022 on our consideration of the Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26'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 Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26'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 Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26's internal control over financial reporting and compliance.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
July 27, 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 Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26’s basic financial statements, and have issued our report thereon dated July 27, 2022. We expressed qualified opinions on the financial statements of the Western Area Purchasing Co-op enterprise fund and the business-type activities because we were unable to obtain sufficient appropriate audit evidence about inventory quantities.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26’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 Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26’s internal control. Accordingly, we do not express an opinion on the effectiveness of Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 Responses, 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 deficiency described in the accompanying Schedule of Findings and Responses 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 deficiencies described in the accompanying Schedule of Findings and Responses as item 2021-003 to be a significant deficiency.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2021-004.

### Regional Office of Education No. 26's Responses to Findings

Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26'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 Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26'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 Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
July 27, 2022

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
SCHEDULE OF FINDINGS AND RESPONSES  
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, except for qualified opinion on the Business-Type Activities and the Western Area Purchasing Co-op Enterprise Fund*

Internal control over financial reporting:

Material weakness identified?

yes       no

Significant deficiencies identified?

yes       none reported

Noncompliance material to financial statements noted?

yes       no

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
SCHEDULE OF FINDINGS AND RESPONSES  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the Year Ended June 30, 2021**

**FINDING 2021-001 – Inadequate Internal Controls over Inventory (Repeat of Findings 20-001, 19-003, 18-003, 17-003, 16-003, and 15-005)**

**CRITERIA/SPECIFIC REQUIREMENT:**

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

**CONDITION:**

The Regional Office of Education No. 26 was not able to provide auditors with documentation to support the provided inventory value of the Western Area Purchasing Co-op. In addition, the inventory value recorded in the Regional Office of Education No. 26's general ledger was not adjusted to the year-end value.

**EFFECT:**

The value of inventory at June 30 could not be determined. Auditors qualified their opinion on inventory in the Fiscal Year 2021 financial statements.

**CAUSE:**

The Regional Office of Education No. 26 Officials indicated the Western Area Purchasing Co-op does not perform a physical inventory count at year end; rather, they perform a physical count after most inventory has been delivered to Co-op members and calculate the year-end inventory value from supporting documents, such as vendor invoices, shipping manifests, and receipts of delivery to Co-op members. These documents did not support the inventory value reported by the Co-op.

**RECOMMENDATION:**

The Western Area Purchasing Co-op staff should perform a physical inventory count on or near the fiscal year end or should maintain adequate documentation to support the calculated year-end value. The accurate inventory value should be recorded in the Regional Office of Education No. 26's general ledger.

**MANAGEMENT'S RESPONSE:**

The Regional Office of Education No. 26 and the Western Area Purchasing Co-op staff accept the risk involved with this finding as there is inadequate staff and resources to perform physical inventory on current timeline. The physical inventory mandate coupled with the required timeline would disrupt operation immensely. An inventory system is cost prohibitive.



**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**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 Regional Office of Education No. 26 (ROE) has chosen to utilize the GAAP basis of accounting for financial statement reporting.

ROE 26 is required to maintain a system of controls over the preparation of financial statements. The Regional Office's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments that report fiduciary activity. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists.

GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments*, 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 draft financial statements originally submitted did not implement GASB No. 84 and were missing the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. There was also no disclosure related to GASB Statement No. 84 implementation. The ROE subsequently submitted revised financial statements implementing the requirements of GASB Statement No. 84.

During our review of subsequent payments, we noted two disbursements totaling \$27,552 for supplies and purchased services incurred in fiscal year 2021 were not reported as accounts payable in the proprietary fund and government-wide financial statements prepared by the ROE. These unrecorded liabilities required material adjustments to the financial statements.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**SECTION II – FINANCIAL STATEMENT FINDINGS**  
**For the Year Ended June 30, 2021**

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

During our audit, we also noted the inventory and the due to other local governments reported in the proprietary fund and government-wide financial statements prepared by the ROE were overstated by \$19,949 due to a mathematical error. These misstatements required material adjustments to the financial statements.

**EFFECT:**

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

Failure to perform proper cut-off procedures resulted in inaccurate and incomplete financial statements. The ROE No. 26 understated expenses and liabilities by \$27,552 in the financial statements.

Failure to review accuracy of mathematical computations resulted in overstatement of inventory and the due to other local governments by \$19,949 in the financial statements.

**CAUSE:**

The Regional Office of Education No. 26 Officials indicated this was an oversight.

**RECOMMENDATION:**

The Regional Office of Education No. 26 should implement comprehensive preparation and/or review procedures as part of their internal control over the preparation of financial statements to ensure that the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education No. 26's activities and operations. 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. 26 will more closely review reports supplied for financial statement preparation to assure accuracy of mathematical computations.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**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 of Finding 20-003)**

**CRITERIA/SPECIFIC REQUIREMENT:**

The Regional Office of Education No. 26 is responsible for the design, implementation, and maintenance of internal controls, including 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.

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. 26 to provide a population of the service providers utilized. The Regional Office of Education No. 26 was able to identify service providers that provided various hosting and backup services for the Regional Office of Education No. 26.

During testing, the auditors noted the Regional Office of Education No. 26 had not:

- Developed a formal process for identifying service providers and for either 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. 26's internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 26'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. 26 does not have assurance the external service provider's and its subservice organization's internal controls are adequate.

**CAUSE:**

The Regional Office of Education No. 26 Officials indicated they understand the importance of a formal process to monitor service providers, however, has not completed a policy to address the issues due to other priorities.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
SCHEDULE OF FINDINGS AND RESPONSES  
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 of Finding 20-003) (Concluded)**

**RECOMMENDATION:**

We recommend the Regional Office of Education No. 26 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. 26 should:

- Obtain SOC reports or perform independent review of internal controls associated with outsourced systems including services provided by subservice organizations, prior to signing agreements with the providers and annually thereafter.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 26's operations.
- Document its review of the SOC reports or perform alternative procedures to evaluate all significant issues to ascertain if a corrective action plan exists, when it will be implemented, any impacts to the Regional Office of Education No. 26, and any compensating controls.
- 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. 26 Officials implemented a process to review and monitor service providers, and a policy to address the issues. However, the Regional Office of Education's procedure was inadequate to fulfill this requirement as expected. The Regional Office of Education No. 26 will review and rectify this process to address this issue going forward.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
SCHEDULE OF FINDINGS AND RESPONSES  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the Year Ended June 30, 2021**

**FINDING 2021-004 – Delay of Audit (Repeat of Findings 20-004, 19-001 and 18-005)**

**CRITERIA/SPECIFIC REQUIREMENT:**

The Regional Office of Education No. 26 (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 Generally Accepted Accounting Principles (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. 26 did not provide completed financial statements in an auditable form by the August 31<sup>st</sup> deadline. The completed financial statements were provided on December 1, 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.

**CAUSE:**

The Regional Office of Education No. 26 Officials indicated competing priorities within the accounting firm they contracted with to prepare the financial statements resulted in the delay in providing completed financial statements in an auditable form by the August 31<sup>st</sup> deadline.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**SECTION II – FINANCIAL STATEMENT FINDINGS**  
**For the Year Ended June 30, 2021**

**FINDING 2021-004 – Delay of Audit (Repeat of Findings 20-004, 19-001 and 18-005)  
(Concluded)**

**RECOMMENDATION:**

The Regional Office of Education No. 26 should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). Additionally, ROE management should determine if changing to the cash or modified cash basis would be allowable and beneficial to the Regional Office of Education No. 26 and the users of its financial statements. These financial statements need to be presented to the Auditor General’s independent auditors for audit by the August 31st deadline.

**MANAGEMENT’S RESPONSE:**

The Regional Office of Education No. 26 will address and implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). As of FY2022, annual financial statements will be compiled on a **CASH** basis of accounting and will include all required disclosures. The Regional Office of Education No. 26 will supply reports and work closely with the accounting firm contracted to prepare financial statements, in a timely manner. These financial statements will be presented to the Auditor General’s independent auditors for audit to the best of our ability.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
For Year Ended June 30, 2021**

**Corrective Action Plan**

**FINDING 2021-001 – Inadequate Internal Controls over Inventory (Repeat of Findings 20-001, 19-003, 18-003, 17-003, 16-003, and 15-005)**

**CONDITION:**

The Regional Office of Education No. 26 was not able to provide auditors with documentation to support the provided inventory value of the Western Area Purchasing Co-op. In addition, the inventory value recorded in the Regional Office of Education No. 26's general ledger was not adjusted to the year-end value.

**PLAN:**

There is no rationale plan to correct this finding. However, we will continue to search for solutions.

**ANTICIPATED DATE OF COMPLETION:**

Undetermined

**CONTACT PERSON:**

Mr. John Meixner, Regional Superintendent of Schools

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
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 draft financial statements originally submitted did not implement GASB No. 84 and were missing the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. There was also no disclosure related to GASB Statement No. 84 implementation. The ROE subsequently submitted revised financial statements implementing the requirements of GASB Statement No. 84.

During our review of subsequent payments, we noted two disbursements totaling \$27,552 for supplies and purchased services incurred in fiscal year 2021 were not reported as accounts payable in the proprietary fund and government-wide financial statements prepared by the ROE. These unrecorded liabilities required material adjustments to the financial statements.

During our audit, we also noted the inventory and the due to other local governments reported in the proprietary fund and government-wide financial statements prepared by the ROE were overstated by \$19,949 due to a mathematical error. These misstatements required material adjustments to the financial statements.

**PLAN:**

The Regional Office of Education No. 26 will more closely review reports supplied for financial statement preparation to assure accuracy of mathematical computations.

**ANTICIPATED DATE OF COMPLETION:**

June 30, 2022

**CONTACT PERSON:**

Mr. John Meixner, Regional Superintendent of Schools



**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
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 of Finding 20-003)**

**CONDITION:**

As part of the audit process, we requested the Regional Office of Education No. 26 to provide a population of the service providers utilized. The Regional Office of Education No. 26 was able to identify service providers that provided various hosting and backup services for the Regional Office of Education No. 26.

During testing, the auditors noted the Regional Office of Education No. 26 had not:

- Developed a formal process for identifying service providers and for either 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. 26's internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 26's operations.

**PLAN:**

The Regional Office of Education No. 26 will review and rectify this process to address this issue going forward.

**ANTICIPATED DATE OF COMPLETION:**

June 30, 2022

**CONTACT PERSON:**

Mr. John Meixner, Regional Superintendent of Schools

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
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 of Findings 20-004, 19-001 and 18-005)**

**CONDITION:**

The Regional Office of Education No. 26 did not provide completed financial statements in an auditable form by the August 31<sup>st</sup> deadline. The completed financial statements were provided on December 1, 2021.

**PLAN:**

The Regional Office of Education No. 26 will address and implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). As of FY2022, annual financial statements will be compiled on a **CASH** basis of accounting and will include all required disclosures. The Regional Office of Education No. 26 will supply reports and work closely with the accounting firm contracted to prepare financial statements, in a timely manner. These financial statements will be presented to the Auditor General’s independent auditors for audit to the best of our ability.

**ANTICIPATED DATE OF COMPLETION:**

June 30, 2022

**CONTACT PERSON:**

Mr. John Meixner, Regional Superintendent of Schools

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED  
For the Year Ended June 30, 2021**

2020-002            Inadequate Controls over Internal Controls Procedures    Not Repeated

During the current audit, audit testing results indicated the Regional Office of Education No. 26 implemented corrective action to ensure bank reconciliations are prepared timely and capital asset schedule is maintained in accordance with GAAP and the ROE Accounting Manual.

## BASIC FINANCIAL STATEMENTS

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 447,947	\$ 98,996	\$ 546,943
Due from other governments			
Local	170,815	366,651	537,466
State	115,740	-	115,740
Federal	143,086	-	143,086
Inventory	-	19,949	19,949
Prepaid expenses	2,425	-	2,425
Total current assets	<u>880,013</u>	<u>485,596</u>	<u>1,365,609</u>
Noncurrent Assets:			
Capital assets, net of depreciation	86,988	41,589	128,577
Net pension asset	242,650	-	242,650
Total Noncurrent Assets	<u>329,638</u>	<u>41,589</u>	<u>371,227</u>
<b>TOTAL ASSETS</b>	<u>1,209,651</u>	<u>527,185</u>	<u>1,736,836</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	160,302	-	160,302
Deferred outflows related to OPEB	10,336	-	10,336
Total Deferred Outflows of Resources	<u>170,638</u>	<u>-</u>	<u>170,638</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	65,221	395,383	460,604
Accrued expenses	54,017	-	54,017
Due to other governments: Local	-	19,949	19,949
Unearned revenue	35,001	-	35,001
Total current liabilities	<u>154,239</u>	<u>415,332</u>	<u>569,571</u>
Noncurrent Liabilities:			
Compensated absences	104,371	-	104,371
OPEB liabilities	874,133	-	874,133
Net pension liability	56,109	-	56,109
Total Noncurrent Liabilities	<u>1,034,613</u>	<u>-</u>	<u>1,034,613</u>
<b>TOTAL LIABILITIES</b>	<u>1,188,852</u>	<u>415,332</u>	<u>1,604,184</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	409,872	-	409,872
Deferred inflows related to OPEB	186,783	-	186,783
Total Deferred Inflows of Resources	<u>596,655</u>	<u>-</u>	<u>596,655</u>
<b>NET POSITION</b>			
Net Investment in capital assets	86,988	41,589	128,577
Restricted-other	268,267	-	268,267
Unrestricted	(760,473)	70,264	(690,209)
<b>TOTAL NET POSITION</b>	<u>\$ (405,218)</u>	<u>\$ 111,853</u>	<u>\$ (293,365)</u>

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**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		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services:						
Salaries and benefits	\$ 1,939,926	\$ -	\$ 1,463,215	\$ (476,711)	\$ -	\$ (476,711)
Purchased services	664,255	-	418,165	(246,090)	-	(246,090)
Supplies and materials	143,839	-	121,189	(22,650)	-	(22,650)
Other objects	194	-	-	(194)	-	(194)
Depreciation expense	30,256	-	-	(30,256)	-	(30,256)
Capital outlay	-	-	25,857	25,857	-	25,857
Pension expense	18,342	-	-	(18,342)	-	(18,342)
OPEB expense	56,780	-	-	(56,780)	-	(56,780)
Intergovernmental:						
Payments to other governments	336,673	-	323,060	(13,613)	-	(13,613)
Administrative:						
On-behalf payments - State	783,094	-	-	(783,094)	-	(783,094)
Total Governmental Activities	3,973,359	-	2,351,486	(1,621,873)	-	(1,621,873)
Business-type Activities:						
Fees for services	744,223	760,146	-	-	15,923	15,923
Total Business-type Activities	744,223	760,146	-	-	15,923	15,923
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 4,717,582</b>	<b>\$ 760,146</b>	<b>\$ 2,351,486</b>	<b>\$ (1,621,873)</b>	<b>\$ 15,923</b>	<b>\$ (1,605,950)</b>
			<b>GENERAL REVENUES:</b>			
			Local sources	599,286	-	599,286
			State sources	413,531	-	413,531
			On-behalf payments - State	783,094	-	783,094
			Investment income	842	-	842
			Total general revenues	1,796,753	-	1,796,753
			<b>CHANGES IN NET POSITION</b>	174,880	15,923	190,803
			<b>NET POSITION - BEGINNING</b>	(580,098)	95,930	(484,168)
			<b>NET POSITION - ENDING</b>	<b>\$ (405,218)</b>	<b>\$ 111,853</b>	<b>\$ (293,365)</b>

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2021**

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 266,813	\$ 73,484	\$ 107,650	\$ -	\$ 447,947
Due from other funds	621,717	-	-	(621,717)	-
Due from other governments:					
Local	163,184	7,631	-	-	170,815
State	-	115,740	-	-	115,740
Federal	-	143,086	-	-	143,086
Prepaid expenses	2,425	-	-	-	2,425
<b>TOTAL ASSETS</b>	<u><u>\$ 1,054,139</u></u>	<u><u>\$ 339,941</u></u>	<u><u>\$ 107,650</u></u>	<u><u>\$ (621,717)</u></u>	<u><u>\$ 880,013</u></u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 65,221	\$ -	\$ -	\$ 65,221
Accrued expenses	27,393	26,624	-	-	54,017
Due to other funds	444,801	176,916	-	(621,717)	-
Unearned revenue	-	35,001	-	-	35,001
Total Liabilities	<u>472,194</u>	<u>303,762</u>	<u>-</u>	<u>(621,717)</u>	<u>154,239</u>
<b>FUND BALANCE</b>					
Nonspendable	2,425	-	-	-	2,425
Restricted	-	36,180	107,650	-	143,830
Unassigned	579,520	(1)	-	-	579,519
Total Fund Balance	<u>581,945</u>	<u>36,179</u>	<u>107,650</u>	<u>-</u>	<u>725,774</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 1,054,139</u></u>	<u><u>\$ 339,941</u></u>	<u><u>\$ 107,650</u></u>	<u><u>\$ (621,717)</u></u>	<u><u>\$ 880,013</u></u>

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
June 30, 2021**

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS		\$ 725,774
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		86,988
Noncurrent assets related to pension benefits are collected but not payable in the current period and therefore, are not reported in the funds. Net pension asset		242,650
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and therefore are not reported in the governmental funds as follows:		
Deferred outflows of resources - pension	\$ 160,302	
Deferred inflows of resources - pension	(409,872)	
Deferred outflows of resources - OPEB	10,336	
Deferred inflows of resources - OPEB	<u>(186,783)</u>	(426,017)
Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Liability for compensated absences	\$(104,371)	
Net pension liability	(56,109)	
OPEB liabilities	<u>(874,133)</u>	<u>(1,034,613)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ (405,218)</u></u>

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



**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2021**

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
<b>REVENUES</b>					
Local sources	\$ 456,990	\$ 110,436	\$ 31,860	\$ -	\$ 599,286
State sources	465,742	1,906,123	1,325	-	2,373,190
On-behalf payments - State	293,310	-	-	-	293,310
Federal sources	6,777	444,038	-	-	450,815
Investment earnings	831	-	11	-	842
Total revenues	<u>1,223,650</u>	<u>2,460,597</u>	<u>33,196</u>	<u>-</u>	<u>3,717,443</u>
<b>EXPENDITURES</b>					
Instructional services:					
Salaries and benefits	532,485	1,523,925	30,730	-	2,087,140
OPEB expense	5,539	-	-	-	5,539
Purchased services	215,259	435,366	13,630	-	664,255
Supplies and materials	16,962	126,277	600	-	143,839
Other objects	194	-	-	-	194
Capital outlay	2,625	26,947	-	-	29,572
On-behalf payments - State	293,310	-	-	-	293,310
Intergovernmental:					
Payments to other governments	-	336,673	-	-	336,673
Total Expenditures	<u>1,066,374</u>	<u>2,449,188</u>	<u>44,960</u>	<u>-</u>	<u>3,560,522</u>
NET CHANGE IN FUND BALANCE	157,276	11,409	(11,764)	-	156,921
FUND BALANCE, BEGINNING OF YEAR	<u>424,669</u>	<u>24,770</u>	<u>119,414</u>	<u>-</u>	<u>568,853</u>
FUND BALANCE, END OF YEAR	<u>\$ 581,945</u>	<u>\$ 36,179</u>	<u>\$ 107,650</u>	<u>\$ -</u>	<u>\$ 725,774</u>

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**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 \$ 156,921

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	\$ 29,572	
Depreciation expense	<u>(30,256)</u>	(684)

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.

Prior year unavailable revenue	\$ (58,988)	
Current year unavailable revenue	<u>-</u>	(58,988)

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

Change in compensated absences		2,869
--------------------------------	--	-------

Governmental funds report pension and OPEB contributions as expenditures; however, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense.

Cost of pension benefits earned, net	\$ 126,003	
Cost of OPEB benefits earned, net	<u>(51,241)</u>	<u>74,762</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 174,880

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2021**

	Business-type Activities		Total
	Enterprise Funds		
	Western Area Purchasing Co-Op	Nonmajor Fingerprinting Fund	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 62,775	\$ 36,221	\$ 98,996
Due from other governments			
Local	366,651	-	366,651
Inventory	19,949	-	19,949
Total current assets	<u>449,375</u>	<u>36,221</u>	<u>485,596</u>
Noncurrent assets:			
Capital assets, being depreciated, net	<u>41,589</u>	<u>-</u>	<u>41,589</u>
<b>TOTAL ASSETS</b>	<u>490,964</u>	<u>36,221</u>	<u>527,185</u>
<b>LIABILITIES</b>			
Current liabilities:			
Due to other governments - Local	19,949	-	19,949
Accounts payable	<u>394,203</u>	<u>1,180</u>	<u>395,383</u>
<b>TOTAL LIABILITIES</b>	<u>414,152</u>	<u>1,180</u>	<u>415,332</u>
<b>NET POSITION</b>			
Net investment in capital assets	41,589	-	41,589
Unrestricted	<u>35,223</u>	<u>35,041</u>	<u>70,264</u>
<b>TOTAL NET POSITION</b>	<u>\$ 76,812</u>	<u>\$ 35,041</u>	<u>\$ 111,853</u>

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**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		
	Western Area Purchasing Co-Op	Nonmajor Fingerprinting Fund	
OPERATING REVENUES			
Fees for services	\$ 721,782	\$ 38,364	\$ 760,146
Total Operating Revenues	<u>721,782</u>	<u>38,364</u>	<u>760,146</u>
OPERATING EXPENSES			
Salaries and benefits	39,032	-	39,032
Purchased services	22,683	29,855	52,538
Supplies and materials	649,916	-	649,916
Depreciation	2,737	-	2,737
Total operating expenses	<u>714,368</u>	<u>29,855</u>	<u>744,223</u>
OPERATING INCOME	7,414	8,509	15,923
NET POSITION - BEGINNING	<u>69,398</u>	<u>26,532</u>	<u>95,930</u>
NET POSITION - ENDING	<u>\$ 76,812</u>	<u>\$ 35,041</u>	<u>\$ 111,853</u>

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2021**

	Business-type Activities		Totals
	Enterprise Funds		
	Western Area Purchasing Co-Op	Nonmajor Fingerprinting Fund	
Cash Flows from Operating Activities:			
Receipts from customers	\$ 624,493	\$ 38,364	\$ 662,857
Payments to suppliers and providers of goods and services	(547,758)	(29,710)	(577,468)
Payments to employees	(39,032)	-	(39,032)
Net cash provided by operating activities	<u>37,703</u>	<u>8,654</u>	<u>46,357</u>
Net increase in cash and cash equivalents	37,703	8,654	46,357
Cash and cash equivalents - Beginning	<u>25,072</u>	<u>27,567</u>	<u>52,639</u>
Cash and cash equivalents - Ending	<u>\$ 62,775</u>	<u>\$ 36,221</u>	<u>\$ 98,996</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 7,414	\$ 8,509	\$ 15,923
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,737	-	2,737
Decrease in assets:			
Due from other governments	97,289	-	97,289
Inventory	112,623	-	112,623
Increase (decrease) in liabilities:			
Due to other governments	(112,623)	-	(112,623)
Accounts payable	(69,737)	145	(69,592)
Net cash provided by operating activities	<u>\$ 37,703</u>	<u>\$ 8,654</u>	<u>\$ 46,357</u>

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2021**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 95,332
Due from other governments	<u>15,048</u>
<b>TOTAL ASSETS</b>	<u>110,380</u>
 <b>LIABILITIES</b>	
Due to other governments	<u>13,814</u>
<b>TOTAL LIABILITIES</b>	<u>13,814</u>
 <b>NET POSITION</b>	
Restricted-for other individuals and other governments	<u>96,566</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 96,566</u></u>

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Year Ended June 30, 2021**

	<u>Custodial Funds</u>
<b>ADDITIONS:</b>	
School occupation facility tax	\$ 4,444,904
Intergovernmental receipts for others	<u>568,786</u>
Total additions	<u>5,013,690</u>
<b>DEDUCTIONS:</b>	
School occupation facility tax	4,444,904
Intergovernmental disbursements for others	<u>567,657</u>
Total deductions	<u>5,012,561</u>
<b>CHANGE IN NET POSITION</b>	<u>1,129</u>
<b>NET POSITION - BEGINNING</b>	
As previously reported	-
Prior period adjustment (see Note 15)	<u>95,437</u>
As adjusted	<u>95,437</u>
<b>NET POSITION - ENDING</b>	<u>\$ 96,566</u>

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

The Fulton, Hancock, McDonough, and Schuyler Counties Regional Office of Education No. 26 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

**A. DATE OF MANAGEMENT’S REVIEW**

The Regional Office of Education No. 26 has evaluated subsequent events through July 27, 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. 26’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.

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.



**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

**B. FINANCIAL REPORTING ENTITY (Concluded)**

For the period ended June 30, 2021, the Regional Office of Education No. 26 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education No. 26. Such activities are reported as a single special revenue fund (Education Fund).

**C. SCOPE OF THE REPORTING ENTITY**

The Regional Office of Education No. 26 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education No. 26 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education No. 26, 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. 26 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 blended component unit described below is included in the Regional Office of Education No. 26's reporting entity because of the significance of its operational or financial relationship with the Regional Office of Education No. 26.

Western Area Purchasing Co-op is a joint agreement used to reduce costs to school districts by purchasing various supplies in larger quantities. School districts in west central Illinois place orders with the co-op, which accumulates the orders and purchases large quantities for distribution to the districts. The purchasing co-op is a discretionary enterprise fund.

Other districts and joint agreements have been determined not to be a part of the reporting entity after applying the criteria of manifestation of oversight, scope of public service, and special financing relationships and are therefore excluded from the accompanying financial statements because the Regional Office of Education No. 26 does not control their assets, operations, or management. In addition, the Regional Office of Education No. 26 is not aware of any entity that would exercise such oversight as to result in the Regional Office of Education No. 26 being considered a component unit of any other entity.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

**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. 26'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. 26 has two business-type activities that rely on fees and charges for support.

The Regional Office of Education No. 26'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. 26 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. 26'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.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Concluded)

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.

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

**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.

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.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

G. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

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. 26; 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. 26 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. 26'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. 26 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. 26 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.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets (including deferred outflows), 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. 26 has presented all major funds that met the above qualifications. The Regional Office of Education No. 26 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:

County – Used to account for funds provided by the Boards of Fulton, Hancock, McDonough, and Schuyler counties for general office operation and maintenance.

Regional Programs – Accounts for the cost of operating certain programs not paid for through special revenues or County funds.

Interest – Used to account for interest earned on the Distributive Fund for the mutual benefit of each school district in the Regional Office’s educational service region.

Alternative Schools – Used to account for State revenues and expenditures paid to provide an alternative education program to students in the Regional Office’s educational service region.

Edgenuity – Used to account for local fees associated with the Regional Office’s Edgenuity project, which provides Alternative Schools’ students with access to online curricula.

Online Clearing – Accounts for revenue from online payments for the Institute, GED, Bus Driver, and other special revenue funds using the new State online payment system.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

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 or committed to expenditures for specified purposes.

Major special revenue funds include the following:

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

Child and Family Connections (Special Education—Grants for Infants and Families) – Used to account for a contractual agreement with the Illinois Department of Human Services to provide a caseworker for the purpose of monitoring teen parents receiving Aid to Dependent Children.

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

Hearing/Vision Screening – Used to account for a hearing screenings program funded through the Illinois Department of Public Aid.

Local Donations – Used to account for donations given to assist the McKinney Education for Homeless Children Grant and the Child and Family Connections Grant.

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.

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Special Revenue Funds (Continued)

Education Funds (Continued)

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 Technology Maintenance – Used to account for revenues and expenditures of the ISBE Technology Maintenance grant program.

Teen Court Donations – Used to account for donations received for the completion of a handicapped-accessible deck located in the Teen Court Community Garden.

Teen Court Fines – Used to account for donations from fines in McDonough County to support a program in which teens participate in community service held in the Teen Court Community Garden.

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.

Truants Alternative Optional Education – Used to account for State grant revenues and expenditures to provide tutoring services and to encourage students to stay in school.

Truants Alternative Optional Education Program Training – Used to account for State grant proceeds expended to train individuals in Truants Alternative Education.



**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Special Revenue Funds (Continued)

Education Funds (Continued)

United Way – Used to account for funding from local United Way for child birth classes and materials.

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

CEO Midland Institute Fund – Used to account for funds from Macomb Area Economic Development Corp. designated to encourage students to stay in the local area to start businesses.

ESSER – Education Stabilization Fund through the CARES ACT for Elementary and Secondary Schools Emergency Relief (ESSER). Used for the purpose of providing local educational agencies with emergency relief funds to address the impact of COVID-19.

ESSER II – Education Stabilization Fund through the CARES ACT for Elementary and Secondary Schools Emergency Relief (ESSER). Used for the purpose of providing local educational agencies with emergency relief funds to address the impact of COVID-19.

Early Childhood GEER – Education Stabilization Fund through the CARES ACT for Governor’s Emergency Education Relief (GEER). Used for the purpose of providing local educational agencies with emergency relief funds to address the impact of COVID-19.

Digital Equity – Education Stabilization Fund through the CARES ACT for Elementary and Secondary Schools Emergency Relief (ESSER) under the Digital Equity formula grant. Used for the purpose of providing local educational agencies with emergency relief funds to address the impact of COVID-19.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

Special Revenue Funds (Concluded)

Education Funds (Concluded)

Workforce – Grant through the Workforce Office of Western Illinois. It is designed to strengthen and improve our nation's public workforce system and help get Americans, including youth and those with significant barriers to employment, into high-quality jobs and careers and help employers hire and retain skilled workers.

The Regional Office of Education No. 26 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.

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. 26 reports the following major proprietary fund:

Western Area Purchasing Co-op – A joint agreement used to reduce costs to school districts by purchasing various supplies in larger quantities. School districts in west central Illinois place orders with the Co-op, which accumulates the orders and purchases large quantities for distribution to the districts. As noted previously, the Purchasing Co-op is a discretionary enterprise fund.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

H. FUND ACCOUNTING (Continued)

PROPRIETARY FUNDS (Concluded)

The Regional Office of Education No. 26 reports the following nonmajor proprietary fund:

Fingerprinting Fund – Accounts for the activity for fingerprinting services.

FIDUCIARY FUNDS

Custodial Funds – Custodial funds account for assets held by the Regional Office of Education No. 26 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Custodial funds include the following:

Distributive Fund – The resources in this fund are received by and passed through the Regional Office from the State to their owners. Entities whose resources are received by and passed through the Distributive Fund include the Western Area Career System and West Central Illinois Special Ed.

Administrators' Roundtable – This fund accounts for the activities of a group of area educational administrators partnering with Western Illinois University's Education Leadership Department. Monies are used to enhance district resources by providing an opportunity for administrators to receive and discuss information related to significant issues in the State and Region.

Area III Superintendents – Accounts for collective activities of all the Area III regional superintendents. Membership fees are used to provide meetings and seminars for disseminating current information on administration issues.

Hancock County Principals – Accounts for collective activities of all the Hancock County school principals. Fees are used to provide meetings and seminars for disseminating current information on administration issues.

Regional Board of School Trustees – Accounts for the marketing and disposal of school properties belonging to local education agencies and for expenses related to detachment petitions.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

H. FUND ACCOUNTING (Concluded)

FIDUCIARY FUNDS (Concluded)

Custodial Funds (Concluded)

School Occupation Facility Tax – This fund accounts for the assets held by the Regional Office of Education No. 26 to be distributed to local school districts. Monies are received from the State Comptroller for the School Facilities Occupation Tax and are disbursed to the school districts.

Western Area Career System (WACS) – This system is housed within the Regional Office of Education No. 26's office and shares the same phone system, copier, etc. The Regional Office of Education records the WACS' phone and copier usage and appropriately charges WACS monthly for the usage.

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:

Non-spendable 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 following General Fund has a non-spendable fund balance: Regional Programs.

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: Early Childhood Grant, Hearing/ Vision Screening, Local Donations, ROE Technology Maintenance, Teen Court Donations, and United Way. The following fund balances are restricted by Illinois Statute: General Education Development, Bus Driver Training, and Institute Funds.

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. 26 has no committed fund balances.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

I. GOVERNMENTAL FUND BALANCES (Concluded)

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. 26 has no assigned fund balances.

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. 26 has unassigned fund balances in the following General Fund accounts: County, Regional Programs, Interest, Alternative Schools, and Edgenuity. This Education Fund has unassigned fund deficits: Title II – Teacher Quality.

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.

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

**K. CASH AND CASHEQUIVALENTS**

Cash and cash equivalents consist of cash on deposit and invested in money market accounts. The Regional Office of Education No. 26 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**L. INVENTORY**

Inventories are carried at the lower of cost or market, cost being determined on the first-in, first-out (FIFO) method. Inventory consists of paper and other school supplies held for distribution to school districts.

**M. 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 years, and buildings over 40 years.

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

N. COMPENSATED ABSENCES

The eligible employees of the Regional Office earn vacation days based on the number of full-time years worked as follows: 10 days for full-time staff employed less than 5 years, 15 days for full-time staff employed between 5 and 14 years, and 20 days for full-time staff employed 15 years or more. An employee may accumulate up to the number of vacation days earned in two years before accrual ceases. On termination, any accumulated vacation is treated as unused sick leave when calculating length of service for pension purposes, if applicable, but is not paid. Any accruals as of June 30<sup>th</sup> are reported as a liability for compensated absences in the Statement of Net Position. At June 30, 2021, the balance of compensated absences was \$104,371, a decrease of \$2,869 from the previous fiscal year.

	<b>Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2021</b>
Compensated Absences	\$ 107,240	\$ -	\$ 2,869	\$ 104,371

A full-time employee is entitled to two personal leave days per year. These days must be used in the fiscal year and may not accumulate from year to year.

Eligible employees receive up to 12 sick days annually. A maximum of 240 days of sick leave may be accumulated by permanent full-time employees, but no payment is made for unused sick leave when a person leaves his or her position. Therefore, no liability for unused sick leave is accrued.

O. 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.

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

**P. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

For purposes of measuring the Regional Office of Education No. 26’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Regional Office of Education No. 26’s OPEB Plan and additions to/deductions from the Regional Office of Education No. 26’s fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 26’s Plan. For this purpose, the Regional Office of Education No. 26’s Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education No. 26’s OPEB liability, deferred outflows or 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.

**Q. BUDGET INFORMATION**

The Regional Office of Education No. 26 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: Child and Family Connections, Early Childhood Grant (3705-00) - 2021, Early Childhood Block Grant (3705-01) - 2021, McKinney Education for Homeless Children (20- 4920), McKinney Education for Homeless Children (21- 4920), McKinney Education for Homeless Children- ROE 26 Subgrant, Regional Safe Schools (21-3696), Regional Safe Schools Cooperative (21-3999), Title II – Teacher Leadership (21-4935-02), Truants Alternative Optional Education (21-3695), Truants Alternative Optional Education Program Training (20-3695-PD), Truants Alternative Optional Education Program Training (21-3695-PD), ROE/ISC Operations, ESSER, ESSER II, Early Childhood – GEER, Digital Equity, Workforce.

**R. 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 expense and contributions from the employer after the measurement date but before the end of the employer’s reporting period.



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

R. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES (Concluded)

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 the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

S. NEW ACCOUNTING PRONOUNCEMENT

In 2021, the Regional Office of Education No. 26 implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Due to the implementation of this statement, the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position was presented for the ROE's Custodial Funds.

The ROE also implemented GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, and applicable sections of GASB Statement No. 92, *Omnibus 2020*. The implementation of these standards did not have a significant effect on the ROE's financial statements.

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**NOTE 2 – DEPOSITS AND INVESTMENTS**

The *Illinois Compiled Statutes* authorize the Regional Office of Education No. 26 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. 26's government-wide and agency fund deposits were \$546,943 and \$95,332, respectively, and the total bank balance was \$921,131 and \$2,249 invested in the Illinois Funds Money Market Fund. Of the total bank balances as of June 30, 2021, \$250,000 was secured by federal depository insurance and \$671,131 was collateralized by securities pledged by the Regional Office of Education No. 26's financial institution on behalf of the Regional Office.

B. INVESTMENTS

The Regional Office of Education No. 26 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. 26's only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2021, the Regional Office of Education No. 26 had investments with carrying value of \$2,249 in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2021, the Illinois Funds Money Market Fund had a Fitch's AAmmf 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.

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**NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)**

B. INVESTMENTS (Concluded)

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

**NOTE 3 – SHORT-TERM DEBT**

The Regional Office of Education No. 26 obtained a short-term line of credit from a local bank to cover cash shortages created when program expenditures occurred before grant payments were received from the State. The note was secured by all business assets. The note issued on April 17, 2020 has an interest rate of 4.25% and a maturity date of April 17, 2021. No drawdowns were made during the year ended June 30, 2021.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
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**NOTE 4 – DEFINED BENEFIT PENSION PLAN**

**Illinois Municipal Retirement Fund (IMRF) Plan Description**

The Regional Office of Education No. 26’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. 26’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](http://www.imrf.org).

**Benefits Provided**

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

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.

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**NOTE 4 – DEFINED BENEFIT PENSION PLAN (Continued)**

**Benefits Provided (Concluded)**

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:

	<b>IMRF</b>
Retirees and Beneficiaries currently receiving benefits	34
Inactive Plan Members entitled to but not yet receiving benefits	21
Active Plan Members	21
<b>Total</b>	<b>76</b>

**Contributions**

As set by statute, the Regional Office of Education No. 26’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 26’s annual contribution rate for calendar year 2020 was 9.25%. For the fiscal year ended 2021, the Regional Office of Education No. 26 contributed \$136,249 to the plan. The Regional Office of Education No. 26 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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**NOTE 4 – DEFINED BENEFIT PENSION PLAN (Continued)**

**Net Pension Liability**

The Regional Office of Education No. 26's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 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 according to an experience study from years 2017 to 2019.
- **Mortality** 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.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
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**NOTE 4 – DEFINED BENEFIT PENSION PLAN (Continued)**

**Actuarial Assumptions (Concluded)**

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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternatives	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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**NOTE 4 – DEFINED BENEFIT PENSION PLAN (Continued)**

**Changes in the Net Pension Liability**

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability (Asset)</b>
	<b>(A)</b>	<b>(B)</b>	<b>(A) - (B)</b>
<b>Balances at December 31, 2019</b>	\$ 4,185,287	\$ 4,140,111	\$ 45,176
<b>Changes for the year:</b>			
Service Cost	93,797	-	93,797
Interest on the Total Pension Liability	301,997	-	301,997
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	82,251	-	82,251
Changes of Assumptions	(34,695)	-	(34,695)
Contributions – Employer	-	87,817	(87,817)
Contributions – Employees	-	42,721	(42,721)
Net Investment Income	-	578,857	(578,857)
Benefit Payments, including Refunds of Employee Contributions	(133,409)	(133,409)	-
Other (Net Transfer)	-	21,781	(21,781)
Net Changes	309,941	597,767	(287,826)
<b>Balances at December 31, 2020</b>	\$ 4,495,228	\$ 4,737,878	\$ (242,650)

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

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

	<b>1% Lower (6.25%)</b>	<b>Current Discount (7.25%)</b>	<b>1% Higher (8.25%)</b>
Net Pension Liability (Asset)	\$ 320,659	\$ (242,650)	\$ (680,069)



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**NOTE 4 – DEFINED BENEFIT PENSION PLAN (Concluded)**

**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. 26 recognized pension expense of \$61,280. At June 30, 2021, the Regional Office of Education No. 26 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 62,824	\$ -
Changes of assumptions	-	22,225
Net difference between projected and actual earnings on pension plan investments	-	334,459
Total Deferred Amounts to be recognized in pension expense in future periods	62,824	356,684
Pension Contributions made subsequent to the Measurement Date	70,575	-
Total Deferred Amounts Related to Pensions	<u>\$ 133,399</u>	<u>\$ 356,684</u>

\$70,575 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. 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:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2021	\$(77,609)
2022	(29,358)
2023	(131,292)
2024	(55,601)
2025	-
Thereafter	-
Total	<u><u>\$(293,860)</u></u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
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**NOTE 5 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

The Regional Office of Education No. 26 participates in the Teachers’ Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor’s approval. The TRS Board of Trustees is responsible for the System’s administration.

TRS issues a publicly available financial report that can be obtained at <http://trsil.org/financial/cafrs/fv2020>; 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 I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or 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 II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 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.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
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**NOTE 5 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**  
**(Continued)**

**Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 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. 26.

**On-behalf Contributions to TRS**

The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 26. For the year ended June 30, 2021, State of Illinois contributions recognized by the Regional Office of Education No. 26 were based on the State’s proportionate share of the collective net pension liability associated with the Regional Office of Education No. 26, and the Regional Office of Education No. 26 recognized revenue and expenditures of \$468,047 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 \$3,492, 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. 26, there is a statutory requirement for the Regional Office of Education No. 26 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 contributions rate to TRS and were much higher.

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

**Federal and Special Trust Fund Contributions (Concluded)**

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 \$44,231 were paid from federal and special trust funds that required employer contributions of \$4,604. 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. 26 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree’s final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the Regional Office of Education No. 26 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent, and no payments for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2021, the Regional Office of Education No. 26 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.

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

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

The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follow:

Employers proportionate share of the net pension liability	\$	56,109
State’s proportionate share of the net pension liability associated with the employer		<u>4,394,782</u>
Total	\$	<u><u>4,450,891</u></u>

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. 26’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. 26’s proportion was .0000650806 percent, which was a decrease of .0000023218 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Regional Office of Education No. 26 recognized pension expense of \$468,047 and revenue of \$468,047 for support provided by the State. For the year ended June 30, 2021, the Regional Office of Education No. 26 recognized pension income of \$42,938. At June 30, 2021, the Regional Office of Education No. 26 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b><u>Deferred Amounts Related to Pensions</u></b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 544	\$ 15
Net difference between projected and actual earnings on pension plan investments	1,675	-
Changes in assumptions	230	589
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,358	52,584
Employer contributions subsequent to the measurement date	8,096	-
Total	<u>\$ 26,903</u>	<u>\$ 53,188</u>

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**(Continued)**

\$8,096 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:

<b>Year Ending June 30</b>		
2022	\$	(13,193)
2023		(13,102)
2024		(7,420)
2025		(521)
2026		(144)
	<u>\$</u>	<u>(34,380)</u>

**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:

<b>Inflation</b>	2.5 percent
<b>Salary Increase</b>	Varies by amount of service credit
<b>Investment rate of return</b>	7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 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.

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

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**(Continued)**

<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%
<b>Total</b>	<u>100.0%</u>	

**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 of current active and inactive members and all benefit recipients. Tier I’s liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II 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. 26’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Regional Office of Education No. 26’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.

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Employer’s proportionate share of the net pension liability	\$ 68,107	\$ 56,109	\$ 46,232

**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 – OTHER POST EMPLOYMENT BENEFITS**

**A. TEACHERS’ HEALTH INSURANCE SECURITY (THIS) FUND**

**THIS Plan Description**

The Regional Office of Education No. 26 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 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

A. TEACHERS' HEALTH INSURANCE SECURITY (THIS) FUND (Continued)

**Benefits Provided**

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of 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 requires all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

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

**On-Behalf Contributions to the THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 26. For the year ended June 30, 2021, State of Illinois contributions recognized by the Regional Office of Education No. 26 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 26, and recognized revenue and expenditures of \$21,737 in OPEB contributions from the State of Illinois.

**Employer Contributions to the THIS Fund**

The Regional Office of Education No. 26 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2021, and 0.92 and 0.92 percent during the years ended June 30, 2020 and 2019, respectively. For the year ended June 30, 2021, the Regional Office of Education No. 26 paid \$5,539 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2020 and 2019, the Regional Office paid \$5,011 and \$4,831 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".

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**NOTE 6 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

A. TEACHERS’ HEALTH INSURANCE SECURITY (THIS) FUND (Continued)

**Actuarial Assumptions**

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

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare cost trend rates	Actual trend used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional year end 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 annuitant’s 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 bond 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).

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**NOTE 6 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

A. TEACHERS’ HEALTH INSURANCE SECURITY (THIS) FUND (Continued)

**Single Discount Rate (Concluded)**

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 federally tax-exempt municipal bonds as reported in Fidelity’s index’s “20-year Municipal GO AA Index” has been selected. The discount rates are 3.13 percent as of June 30, 2019, and 2.45 percent as of June 30, 2020.

**Sensitivity of the Employer’s Proportionate Share of the Collective Net OPEB Liability to Changes in the Single Discount Rate**

The following presents the Regional Office of Education No. 26’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 Single Discount rate that is one percentage point higher (3.45%) or lower (1.45%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(1.45%)</b>	<b>(2.45%)</b>	<b>(2.45%)</b>	<b>(3.45%)</b>
Employer’s proportionate share of the collective net OPEB liability	\$ 691,819	\$ 575,653	\$ 575,653	\$ 483,569

**Sensitivity of Employer’s Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following table shows the Regional Office of Education No. 26’s proportionate share of the collective net OPEB liability as of June 30, 2020 using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The current key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

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**NOTE 6 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

A. TEACHERS’ HEALTH INSURANCE SECURITY (THIS) FUND (Continued)

**Sensitivity of Employer’s Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rate (Concluded)**

	1% Decrease (a)	Healthcare Cost Trend Rates	1% Increase (b)
Employer’s proportionate share of the collective net OPEB liability	\$ 462,977	\$ 575,653	\$ 727,902
<i>(a) One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate rate of 3.25% in 2037.</i>			
<i>(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.</i>			

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

At June 30, 2021, the Regional Office of Education No. 26 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. 26.

The amount recognized by the Regional Office of Education No. 26 as its proportionate share of the collective net OPEB liability, the related State support, and the total proportion of the collective net OPEB liability that was associated with the Regional Office of Education No. 26 were as follows:

Employers proportionate share of the collective net OPEB liability	\$	575,653
State’s proportionate share of the collective net OPEB liability associated with the employer		779,860
<b>Total</b>		<b>\$ 1,355,513</b>

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 rolled forward to the June 30, 2020 measurement date.

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**NOTE 6 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

A. **TEACHERS’ HEALTH INSURANCE SECURITY (THIS) FUND (Continued)**

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

The Regional Office of Education No. 26’s proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 26’s long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 26, actuarially determined. At June 30, 2020, the ROE’s proportion was 0.002153%, which was an increase of 0.000017% from its proportion measured as of June 30, 2019 of 0.002136%. The State’s support and total are for disclosure purposes only.

For the year ending June 30, 2021, the Regional Office of Education No. 26 recognized OPEB expense of \$21,737 and revenue of \$21,737 for support provided by the State. For the year ended June 30, 2021, the Regional Office of Education No. 26 recognized OPEB expense of \$2,324. At June 30, 2021, the Regional Office of Education No. 26 had \$4,797 deferred outflows of resources and \$186,783 of deferred inflows of resources related to OPEB.

At June 30, 2021, the ROE reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>Deferred Amounts Related to OPEB</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 15,294
Net difference between projected and actual earnings on plan investments	-	16
Changes in assumptions	195	94,953
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,602	76,520
Employer contributions subsequent to the measurement date	5,539	-
<b>Total</b>	<b>\$ 10,336</b>	<b>\$ 186,783</b>

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**NOTE 6 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

A. TEACHERS’ HEALTH INSURANCE SECURITY (THIS) FUND (Concluded)

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Concluded)**

\$5,539 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education No. 26 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 and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education No. 26’s OPEB expense as follows in these reporting years:

<b>Year Ending June 30</b>	<b>Net Deferred Outflows/ (Inflows) of Resources</b>
2022	\$ (24,966)
2023	(24,966)
2024	(24,966)
2025	(24,966)
2026	(24,962)
Thereafter	(57,160)
Total	<u>\$ (181,986)</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.

B. WESTERN AREA SCHOOL HEALTH BENEFIT (WAS) PLAN

**Plan Description**

The Regional Office of Education No. 26 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.

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**NOTE 6 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

**B. WESTERN AREA SCHOOL HEALTH BENEFIT (WAS) PLAN (Continued)**

**Eligibility Provisions**

*Full-Time Employees - IMRF*

Tier I IMRF Full-Time employees:

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

Tier II IMRF Full-Time employees:

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

*Full-Time Employees - TRS*

Tier I TRS Full-Time employees:

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

Tier II TRS Full-Time employees:

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

**Benefits Provided**

The Regional Office of Education No. 26 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 coverage under the WASHBP Red Plan. IMRF and TRS employees may continue health insurance in retirement; however, they are responsible for paying the full cost of the medical premium. Should retiree coverage terminate, spousal coverage will also terminate. 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. Retirees may not continue employer sponsored insurance in retirement past Medicare eligibility.

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**NOTE 6 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

**B. WESTERN AREA SCHOOL HEALTH BENEFIT (WAS) PLAN (Continued)**

**Membership**

At June 30, 2020 membership consisted of:

Inactive Employees Currently Receiving Benefit Payments	3
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	0
Active Employees	25
Total	<hr style="border: 0.5px solid black;"/> <hr style="border: 0.5px solid black;"/> 28

**Funding Policy and Contributions**

Benefits are paid by the WAS Plan for Medical, prescription drug, dental and vision 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.

Contributions from Other ROE Resources of \$8,600 and Benefit Payments of \$8,600 from Other ROE 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 generally accepted actuarial principles and practices.



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**NOTE 6 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

C. WESTERN AREA SCHOOL HEALTH BENEFIT (WAS) PLAN (Continued)

**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 2.25% 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 \$1,000 deductible. Premiums charged for coverage of retiree and spouse are \$9,000 and \$9,360, respectively with a \$2,000 deductible.
Healthcare Trend Rates	Initial trend rate of 7.70% decreasing to an ultimate trend rate of 5.00% in 2031. The initial trend rate is based on the 2021 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range. (Paragraph 57a of GASB 74).

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**NOTE 6 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

**B. WESTERN AREA SCHOOL HEALTH BENEFIT (WAS) PLAN (Continued)**

Mortality rates for IMRF eligible employees are based on RP-2014 with Blue Collar Adjustments and MP-2016 Improvement, weighted per IMRF Experience Study dated November 8, 2017; Age 85 for males, Age 88 for females. Mortality rates for TRS eligible employees are based on RP-2014 with White Collar Adjustments and MP-2017 Improvement, weighted per TRS Experience Study Report dated September 18, 2018; Age 88 for males, Age 89 for females.

The retirement rates disclosed in the IMRF Experience Study Report dated November 8, 2017 and the TRS Experience Study Report dated September 18, 2018 were used to estimate the single retirement ages pursuant to the Alternative Measurement Method for GASB 74/75.

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

The following are the changes in assumptions for the July 1, 2021 actuarial valuation:

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

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balances at July 1, 2020</b>	\$ 244,020
<b>Changes for the period:</b>	
Service Cost	5,579
Interest Cost	5,298
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	42,579
Changes in Assumptions	9,604
Benefit Payments	(8,600)
Net Changes	54,460
<b>Balances at June 30, 2021</b>	<b>\$ 298,480</b>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
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**NOTE 6 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

B. WESTERN AREA SCHOOL HEALTH BENEFIT (WAS) PLAN (Continued)

**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. 26, 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 assets is used to determine the portion of the net OPEB liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net OPEB liability associated with those payments.

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

**Municipal Bond Rate**

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The beginning of the year rate is the 2.21% rate, and the end of year rate is the 2.16% rate. 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.

Changes of assumptions reflect a change in the discount rate from 2.21% at the beginning of fiscal year 2021 to 2.16% at the end of fiscal year 2021.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2021**

**NOTE 6 – OTHER POST EMPLOYMENT BENEFITS (Concluded)**

B. WESTERN AREA SCHOOL HEALTH BENEFIT (WAS) PLAN (Concluded)

**Sensitivity of the Discount Rate**

The following presents the Regional Office of Education No. 26'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:

	<b>1% Decrease</b>	<b>Current</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(1.16%)</b>	<b>(2.16%)</b>	<b>(2.16%)</b>	<b>(3.16%)</b>
ROE's Total OPEB Liability	\$ 324,419	\$ 298,480	\$ 298,480	\$ 276,250

**Sensitivity of the Healthcare Trend Rates**

The following presents the Regional Office of Education No. 26's total OPEB liability calculated using the healthcare cost trend rates as well as what the ROE's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 7.70% in 2021 decreasing to an ultimate trend rate of 5.0% in 2031.

	<b>1% Decrease</b>	<b>Healthcare Cost</b>	<b>Trend Rates</b>	<b>1% Increase</b>
	<b>(Varies)</b>	<b>(Varies)</b>	<b>(Varies)</b>	<b>(Varies)</b>
ROE's Total OPEB Liability	\$ 275,005	\$ 298,480	\$ 298,480	\$ 325,555

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

For the year ended June 30, 2021, the Regional Office of Education No. 26 recognized OPEB expense of \$54,460. At June 30, 2021 the Regional Office of Education No. 26 had no deferred outflows of resources or deferred inflows of resources related to OPEB.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 7 – RISK MANAGEMENT**

The Regional Office of Education No. 26 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. 26 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 8 – INTERFUND ACTIVITY**

**DUE TO/FROM OTHER FUNDS**

Interfund due to/from other fund balances at June 30, 2021 consist of the following individual due to/from other funds in the Governmental Funds Balance Sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Position. The purpose of interfund borrowing was to cover temporary shortfalls in cash flow within grant programs and funds.

<b>Fund</b>	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
Governmental Funds:		
General Funds		
County	\$ -	\$ 94,376
Regional Programs	-	350,425
Alternative Schools	559,610	-
Edgenuity	62,107	-
Education Funds		
Child and Family Connections	-	94,378
CEO Midland Institute Fund	-	7,631
Early Childhood GEER	-	952
McKinney Education for Homeless Children	-	61,417
ESSER II	-	3,016
Digital Equity	-	4,144
Workforce	-	5,377
Title II – Teacher Quality	-	1
	<u>\$ 621,717</u>	<u>\$ 621,717</u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 8 – INTERFUND ACTIVITY (Concluded)**

TRANSFERS

Interfund transfers in/out to other funds consist of the individual transfers in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position. The transfer balances between governmental funds are eliminated in the government-wide Statement of Activities. There were no interfund transfers for the year ended June 30, 2021.

**NOTE 9 – OPERATING LEASES**

The Regional Office of Education No. 26 leases classroom and office space from various parties. During the fiscal year 2018, the Regional Office of Education No. 26 leased classroom and office space located at 553 Main Street, Carthage, Illinois, from individuals for \$850 per month. The lease term began on August 1, 2014, and ended on July 31, 2015, but was renewed for the multiple periods including July 1, 2020 through June 30, 2021 at the same monthly rate.

The Regional Office of Education No. 26 leases office space located at 749 E. Locust St., Canton, Illinois. The lease for the year ended June 30, 2021 was \$32,000 plus reimbursement for improvements per schedule. The lease term is from July 1, 2018 through June 30, 2019. The agreement will automatically renew for annual terms unless written notice is given by May 1 of each year. Reimbursement for improvements total \$24,865 will be paid over a seven-year schedule through 2025. If the lease is cancelled at any time before the reimbursements are paid off, an immediate payment of the balance remaining is required.

The Regional Office of Education No. 26 leases office space located on 341 South Johnson Street, Macomb, Illinois for \$2,500 per month. The lease term is from July 1, 2017, to June 30, 2019. This lease was extended for an additional year ended June 30, 2021.

The Regional Office of Education No. 26 has a lease agreement from July 1, 2020 through June 30, 2023, for office space at 130 South Lafayette Street, Suite 200, Macomb, Illinois, for \$2,250 per month.

The Regional Office leased office space located at 616 East Polk, Cuba, Illinois for \$200 per month. The lease ran from July 1, 2019 through June 30, 2020, with the option to renew yearly taken.

The Regional Office leased office space located at 500 Wabash, Carthage, Illinois for \$100 per month. This is a month-to-month lease that may be canceled with 30 days' notice.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2021**

**NOTE 9 – OPERATING LEASES (Concluded)**

Total lease expense for the year ended June 30, 2021 was \$106,352. Future minimum lease payments are as follows:

<u>Year Ending June 30</u>	
2022	\$ 30,552
2023	30,552
2024	3,552
2025	3,552
2026	-
2027 and thereafter	-
Total	<u>\$ 68,208</u>

**NOTE 10 – CAPITAL ASSET ACTIVITY**

In accordance with GASB Statement No. 34, the Regional Office of Education No. 26 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 buildings, software, 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>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2021</u>
<b>Governmental Activities:</b>				
Software, Furniture and Equipment, and Building	\$ 319,882	\$ 29,572	\$ -	\$ 349,454
Governmental Activities Total Assets	319,882	29,572	-	349,454
Less Accumulated Depreciation	232,210	30,256	-	262,466
<b>Governmental Activities</b>				
Investment in Capital Assets, Net	<u>\$ 87,672</u>	<u>\$ (684)</u>	<u>\$ -</u>	<u>\$ 86,988</u>
<b>Business-type Activities:</b>				
Building	\$ 76,596	\$ -	\$ -	\$ 76,596
Software, Furniture and Equipment	14,861	-	-	14,861
Business-type Activities Total Assets	91,457	-	-	91,457
Less Accumulated Depreciation	47,131	2,737	-	49,868
<b>Business-type Activities</b>				
Investment in Capital Assets, Net	<u>\$ 44,326</u>	<u>\$ (2,737)</u>	<u>\$ -</u>	<u>\$ 41,589</u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 10 – CAPITAL ASSET ACTIVITY (Concluded)**

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 \$30,256 and \$2,737 was charged to the governmental activities – Instructional Services and the business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

**NOTE 11 – NONCURRENT LIABILITIES**

The following is a summary of changes in noncurrent liabilities during the fiscal year:

	<b>Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2021</b>
Compensated Absences	\$ 107,240	\$ -	\$ 2,869	\$ 104,371
Net Pension Liability - TRS	54,669	1,440	-	56,109
Net Pension Liability - IMRF	45,176	-	45,176	-
OPEB Liability – THIS	591,304	-	15,651	575,653
OPEB Liability – WAS	244,020	63,060	8,600	298,480
	\$ 1,042,409	\$ 64,500	\$ 72,296	\$ 1,034,613

**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. 26:

Regional Superintendent Salary	\$ 117,288
Assistant Regional Superintendent Salary	105,564
Regional Superintendent Benefits (includes State-paid insurance)	32,160
Assistant Regional Superintendent Benefits (includes State-paid insurance)	38,298
Total	\$ 293,310

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent 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. 26 also recorded \$468,047 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 \$21,737 in revenue and expenses as on-behalf payments from the THIS fund for the Regional Office of Education No. 26’s share of the OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 26 has not included any on-behalf payments related to the State’s TRS pension expense for the Regional Superintendent or Assistant Regional Superintendents.



**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2021**

**NOTE 12 – ON-BEHALF PAYMENTS (Concluded)**

Total on-behalf payments reported in the Statement of Activities follows:

State of Illinois on-behalf payments	\$	293,310
ROE No. 26’s share of TRS pension expense		468,047
ROE No. 26’s share of THIS OPEB expense		21,737
Total	\$	<u>783,094</u>

**NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS**

The Regional Office of Education No. 26’s General Fund, Education Fund, Proprietary Funds, and Fiduciary Funds have funds due from/to various other governmental units which consist of the following:

Due from Other Governments:

<u>General Fund</u>		
Local Governments	\$	163,184
<u>Education Fund</u>		
Illinois State Board of Education		143,086
Department of Human Services		105,735
Workforce Office of Western Illinois		10,005
Local Governments		7,631
<u>Proprietary Funds</u>		
Local Governments		366,651
<u>Fiduciary Funds</u>		
Illinois State Board of Education		15,048
Total	\$	<u>811,340</u>

Due to Other Governments:

<u>Proprietary Funds</u>		
Local Governments	\$	19,949
<u>Fiduciary Funds</u>		
Local Governments		13,814
Total	\$	<u>33,763</u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**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 over expend appropriations during the year are required to be disclosed.

The following funds had fund deficits as of June 30, 2021:

<b>Fund</b>	<b>Amount</b>
Governmental Funds:	
General Funds	
County	\$ 94,376
Regional Programs	348,000
Total General Funds	\$ 442,376
Education Funds	
Title II - Teacher Quality	\$ 1
Total Education Funds	\$ 1

**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:

	Net Position, June 30, 2020, as previously reported	Change to implement GASB Statement No. 84	Net Position, July 1, 2020, as restated
Custodial Funds			
Administrators Roundtable	\$ -	\$ 7,181	\$ 7,181
Area III Superintendents	-	83,868	83,868
Hancock County Principal	-	1,608	1,608
Regional Board of School Trustees	-	2,780	2,780
 Total	\$ -	\$ 95,437	\$ 95,437

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY & RELATED RATIOS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST SEVEN CALENDAR YEARS**  
**(UNAUDITED)**

Calendar Year Ended December 31,	2020	2019	2018	2017	2016	2015	2014*
<b>Total Pension Liability</b>							
Service Cost	\$ 93,797	\$ 93,632	\$ 82,114	\$ 79,094	\$ 80,033	\$ 153,971	\$ 83,338
Interest on the Total Pension Liability	301,997	280,971	255,129	252,866	257,216	229,588	171,386
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	82,251	37,898	119,243	(116,116)	(302,162)	107,718	(18,897)
Changes of Assumptions	(34,695)	-	119,367	(88,793)	-	-	84,040
Benefit Payments, including Refunds of Employee Contributions	(133,409)	(111,729)	(103,995)	(89,109)	(96,141)	(75,704)	(84,570)
<b>Net Change in Total Pension Liability</b>	<u>\$ 309,941</u>	<u>\$ 300,772</u>	<u>\$ 471,858</u>	<u>\$ 37,942</u>	<u>\$ (61,054)</u>	<u>\$ 415,573</u>	<u>\$ 235,297</u>
<b>Total Pension Liability - Beginning</b>	<u>4,185,287</u>	<u>3,884,515</u>	<u>3,412,657</u>	<u>3,374,715</u>	<u>3,435,769</u>	<u>3,020,196</u>	<u>2,285,429</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 4,495,228</u>	<u>\$ 4,185,287</u>	<u>\$ 3,884,515</u>	<u>\$ 3,412,657</u>	<u>\$ 3,374,715</u>	<u>\$ 3,435,769</u>	<u>\$ 2,520,726</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 87,817	\$ 51,644	\$ 85,704	\$ 72,114	\$ 97,547	\$ 95,671	\$ 86,972
Contributions - Employees	42,721	41,353	40,421	38,484	39,097	41,338	33,791
Net Investment Income	578,857	633,226	(168,667)	544,474	(52,879)	334,849	137,716
Benefit Payments, including Refunds of Employee Contributions	(133,409)	(111,729)	(103,995)	(89,109)	(96,141)	(75,704)	(84,570)
Other (Net Transfer)	21,781	3,957	47,688	(131,898)	2,508	(47,116)	(1,818)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>\$ 597,767</u>	<u>\$ 618,451</u>	<u>\$ (98,849)</u>	<u>\$ 434,065</u>	<u>\$ (9,868)</u>	<u>\$ 349,038</u>	<u>\$ 172,091</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>4,140,111</u>	<u>3,521,660</u>	<u>3,620,509</u>	<u>3,186,444</u>	<u>3,196,312</u>	<u>2,847,274</u>	<u>2,207,902</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 4,737,878</u>	<u>\$ 4,140,111</u>	<u>\$ 3,521,660</u>	<u>\$ 3,620,509</u>	<u>\$ 3,186,444</u>	<u>\$ 3,196,312</u>	<u>\$ 2,379,993</u>
<b>Net Pension Liability (Asset) - Ending (A) - (B)</b>	<u>\$ (242,650)</u>	<u>\$ 45,176</u>	<u>\$ 362,855</u>	<u>\$ (207,852)</u>	<u>\$ 188,271</u>	<u>\$ 239,457</u>	<u>\$ 140,733</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	105.40%	98.92%	90.66%	106.09%	94.42%	93.03%	94.42%
<b>Covered Payroll</b>	\$ 949,371	\$ 918,951	\$ 860,486	\$ 777,091	\$ 766,881	\$ 760,063	\$ 662,005
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	(25.56%)	4.92%	42.17%	(26.75%)	24.55%	31.50%	21.26%

**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.

\* 2014 amounts represent Hancock/McDonough Counties only. Fulton and Schuyler Counties were consolidated in the Fulton/Hancock/McDonough/Schuyler Counties Educational Service Region effective July 1, 2015.

**Changes in assumptions:**

For 2014, changes are primarily from adopting an IMRF specific mortality table 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 table with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables.

For 2018, the assumed investment rate 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.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
LAST SEVEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ended 30-Jun	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2021	\$ 136,249	\$ 136,249	\$ -	\$ 984,639	13.84%
2020	90,443	90,443	-	979,442	9.23%
2019	89,596	89,596	-	892,111	10.04%
2018	80,931	80,931	-	840,431	9.63%
2017	81,274	81,274	-	738,695	11.00%
2016	97,264	97,264	-	764,652	12.72%
2015	98,540	98,540	-	753,292	13.08%

**Notes to Schedule:**

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

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

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 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, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from RP-2014 Blue Collar Health Annuitant Mortality Table, adjusted to match current IMRF experience. For disabled retirees, IMRF specific mortality rates were 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 mortality 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.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**  
**FOR THE YEAR ENDED JUNE 30, 2021 +**  
**(UNAUDITED)**

	FY20*	FY19*	FY18*	FY17*	FY16*	FY15*	FY14*
	0.0000650806%	0.0000674024%	0.0000781026%	0.0001798824%	0.0088880000%	0.0004787691%	0.0004288104%
Employer's proportion of the net pension liability							
Employer's proportionate share of the net pension liability	\$ 56,109	\$ 54,669	\$ 60,877	\$ 137,427	\$ 70,163	\$ 313,642	\$ 260,967
State's proportionate share of the net pension liability associated with the employer	4,394,782	3,890,720	4,170,328	4,054,283	4,710,897	3,762,668	2,627,105
<b>Total</b>	<b>\$ 4,450,891</b>	<b>\$ 3,945,389</b>	<b>\$ 4,231,205</b>	<b>\$ 4,191,710</b>	<b>\$ 4,781,060</b>	<b>\$ 4,076,310</b>	<b>\$ 2,888,072</b>
Employer's covered payroll	\$ 544,693	\$ 525,125	\$ 559,498	\$ 547,484	\$ 593,491	\$ 440,045	\$ 431,540
Additional employer's covered payroll due to consolidation	-	-	-	-	-	127,241	-
Total employer's covered payroll	\$ 544,693	\$ 525,125	\$ 559,498	\$ 547,484	\$ 593,491	\$ 567,286	\$ 431,540
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.3%	10.4%	10.9%	25.1%	11.8%	55.3%	60.5%
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

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**  
**FOR THE YEAR ENDED JUNE 30, 2021 +**  
**(UNAUDITED)**

	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14
Statutorily-required contribution	\$ 8,096	\$ 6,674	\$ 6,306	\$ 6,582	\$ 7,410	\$ 3,443	\$ 16,037	\$ 15,300
Contributions in relation to the statutorily required contribution	8,096	6,674	6,306	6,582	7,410	3,443	16,083	15,589
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (46)	\$ (289)
Employer's Covered payroll	\$ 602,014	\$ 544,693	\$ 525,125	\$ 559,498	\$ 547,484	\$ 593,491	\$ 440,045	\$ 431,540
Contributions as a percentage of covered payroll	1.34%	1.23%	1.20%	1.18%	1.35%	0.58%	3.65%	3.61%

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Changes of assumptions**

For the 2016-2020 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit 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.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE**  
**OF THE COLLECTIVE NET OPEB LIABILITY**  
**TEACHERS' HEALTH INSURANCE SECURITY FUND**  
**For the Years Ended June 30**  
**(UNAUDITED)**

	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>
Employer's proportion of the collective net OPEB liability	0.002153%	0.002136%	0.002360%	0.002380%	0.002548%
Employer's proportionate share of the collective net OPEB liability	\$ 575,653	\$ 591,304	\$ 621,830	\$ 617,612	\$ 696,526
State's proportionate share of the collective net OPEB liability associated with the employer	<u>779,860</u>	<u>800,724</u>	<u>835,024</u>	<u>811,048</u>	<u>965,837</u>
<b>Total</b>	<u>\$ 1,355,513</u>	<u>\$ 1,392,028</u>	<u>\$ 1,456,854</u>	<u>\$ 1,428,660</u>	<u>\$ 1,662,363</u>
Employer's covered payroll	\$ 544,693	\$ 525,125	\$ 559,498	\$ 547,484	\$ 593,491
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	105.68%	112.60%	111.14%	112.81%	117.36%
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*

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.



**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TEACHERS' HEALTH INSURANCE SECURITY FUND**  
**For the Years Ended June 30**  
**(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 5,539	\$ 5,011	\$ 4,831	\$ 4,924	\$ 4,599	\$ 4,748
Contribution in relation to the statutorily required contribution	<u>5,539</u>	<u>5,011</u>	<u>4,831</u>	<u>4,924</u>	<u>4,599</u>	<u>4,748</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 602,014	\$ 544,693	\$ 525,125	\$ 559,498	\$ 547,484	\$ 593,491
Contributions as a percentage of covered payroll	0.92%	0.92%	0.92%	0.88%	0.84%	0.80%

Note:

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

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**TEACHERS' HEALTH INSURANCE SECURITY FUND**  
**For the Year Ended June 30, 2021**  
**(UNAUDITED)**

**1. CHANGES OF BENEFIT TERMS**

In the June 30, 2019 actuarial valuation, there have been no changes of benefit terms from the prior period.

**2. CHANGES OF ASSUMPTIONS**

For the 2020 and 2019 measurement years, the assumed investment rate of return was 0.0 percent, including an inflation rate of 2.5 and 2.5 percent, respectively. Salary increases were assumed to depend on service and range 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. Discount rate used to calculate the present values and costs of the OPEB was 2.45 % at June 30, 2020 and 3.13% at June 30, 2019.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY & RELATED RATIOS**  
**WESTERN AREA SCHOOL HEALTH BENEFIT PLAN**  
**FOR THE YEAR ENDED JUNE 30**  
**(UNAUDITED)**

	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service Cost	\$ 5,579	\$ 4,841	\$ 4,502	\$ 3,049
Interest Cost	5,298	7,464	7,881	1,003
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	42,579	-	(25,772)	-
Changes of Assumptions	9,604	24,011	210,463	-
Benefit Payments	(8,600)	(11,153)	(7,396)	-
<b>Net Change in OPEB Liability</b>	<b>\$ 54,460</b>	<b>\$ 25,163</b>	<b>\$ 189,678</b>	<b>\$ 4,052</b>
<b>Total OPEB Liability - Beginning</b>	<b>244,020</b>	<b>218,857</b>	<b>29,179</b>	<b>25,127</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 298,480</b>	<b>\$ 244,020</b>	<b>\$ 218,857</b>	<b>\$ 29,179</b>
<b>Covered Payroll</b>	<b>\$ 1,332,254</b>	<b>\$ 1,290,509</b>	<b>\$1,232,569</b>	<b>\$1,223,193</b>
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	<b>22.40%</b>	<b>18.91%</b>	<b>17.76%</b>	<b>2.39%</b>

**Notes to Schedule:**

**Changes of Benefit Terms**

In the June 30, 2021 actuarial valuation, the dental and vision benefits were removed in the current year.

**Changes of Assumptions**

The following are the changes in assumptions for the July 1, 2021 actuarial valuation:

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

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.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**WESTERN AREA SCHOOL HEALTH BENEFIT PLAN**  
**For the Years Ended June 30**  
**(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution (ADC)	N/A	N/A	N/A	N/A
Contribution in relation to the actuarially determined contribution	-	-	-	-
Contribution deficiency (excess)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Employer's covered payroll	\$ 1,332,254	\$ 1,290,509	\$1,232,569	\$1,223,193
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

Notes to Schedule of Contributions:

There is no ADC or Employer Contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB Liability. However, the ROE did make contributions from other ROE resources in the current year in the amount of \$8,600.

SUPPLEMENTAL INFORMATION

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**GENERAL FUND**  
**June 30, 2021**

	County	Regional Programs	Interest	Alternative Schools	Edgenuity	Online Clearing	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 74,404	\$ -	\$ 192,409	\$ -	\$ 266,813
Due from other funds	-	-	-	559,610	62,107	-	621,717
Due from other governments	-	-	-	41,800	121,384	-	163,184
Local	-	-	-	-	-	-	-
Prepaid expenses	-	2,425	-	-	-	-	2,425
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 2,425</b>	<b>\$ 74,404</b>	<b>\$ 601,410</b>	<b>\$ 375,900</b>	<b>\$ -</b>	<b>\$ 1,054,139</b>
<b>LIABILITIES</b>							
Accrued expenses	\$ -	\$ -	\$ -	\$ 27,299	\$ 94	\$ -	\$ 27,393
Due to other funds	94,376	350,425	-	-	-	-	444,801
<b>Total Liabilities</b>	<b>94,376</b>	<b>350,425</b>	<b>-</b>	<b>27,299</b>	<b>94</b>	<b>-</b>	<b>472,194</b>
<b>FUND BALANCE (DEFICIT)</b>							
Nonspendable	-	2,425	-	-	-	-	2,425
Unassigned	(94,376)	(350,425)	74,404	574,111	375,806	-	579,520
<b>Total Fund Balance (Deficit)</b>	<b>(94,376)</b>	<b>(348,000)</b>	<b>74,404</b>	<b>574,111</b>	<b>375,806</b>	<b>-</b>	<b>581,945</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>							
	\$ -	\$ 2,425	\$ 74,404	\$ 601,410	\$ 375,900	\$ -	\$ 1,054,139

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
For the Year Ended June 30, 2021**

	County	Regional Programs	Interest	Alternative Schools	Edgenuity	Online Clearing	Totals
<b>Revenues</b>							
Local sources	\$ 245,941	\$ 6,387	\$ -	\$ 77,866	\$ 126,796	\$ -	\$ 456,990
State sources	-	-	-	465,742	-	-	465,742
On-behalf payments - State	-	293,310	-	-	-	-	293,310
Federal sources	-	-	-	6,777	-	-	6,777
Investment earnings	-	-	831	-	-	-	831
<b>Total Revenues</b>	<b>245,941</b>	<b>299,697</b>	<b>831</b>	<b>550,385</b>	<b>126,796</b>	<b>-</b>	<b>1,223,650</b>
<b>Expenditures</b>							
Instructional Services:							
Salaries and benefits	190,164	7,179	-	317,758	17,384	-	532,485
OPEB expense	-	5,539	-	-	-	-	5,539
Purchased services	52,932	6,787	-	123,916	31,624	-	215,259
Supplies and materials	1,255	3,425	-	12,282	-	-	16,962
Other objects	-	194	-	-	-	-	194
Capital outlay	-	-	-	2,625	-	-	2,625
On-behalf payments - State	-	293,310	-	-	-	-	293,310
<b>Total Expenditures</b>	<b>244,351</b>	<b>316,434</b>	<b>-</b>	<b>456,581</b>	<b>49,008</b>	<b>-</b>	<b>1,066,374</b>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	<b>1,590</b>	<b>(16,737)</b>	<b>831</b>	<b>93,804</b>	<b>77,788</b>	<b>-</b>	<b>157,276</b>
<b>FUND BALANCE (DEFICIT), BEGINNING</b>	<b>(95,966)</b>	<b>(331,263)</b>	<b>73,573</b>	<b>480,307</b>	<b>298,018</b>	<b>-</b>	<b>424,669</b>
<b>FUND BALANCE (DEFICIT), ENDING</b>	<b>\$ (94,376)</b>	<b>\$ (348,000)</b>	<b>\$ 74,404</b>	<b>\$ 574,111</b>	<b>\$ 375,806</b>	<b>\$ -</b>	<b>\$ 581,945</b>

FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2021

	Child and Family Connections	Early Childhood Grant	Early Childhood Block Grant	Hearing/Vision Screening	Local Donations	McKinney Education for Homeless Children
Assets						
Cash and cash equivalents	\$ -	\$ 45,837	\$ -	\$ 12,591	\$ 713	\$ -
Due from other governments						
Local	-	-	-	-	-	-
State	105,735	-	-	-	-	-
Federal	-	-	-	-	-	132,482
Total Assets	\$ 105,735	\$ 45,837	\$ -	\$ 12,591	\$ 713	\$ 132,482
Liabilities						
Accounts payable	\$ 1,160	\$ 6,731	\$ -	\$ -	\$ -	\$ 57,242
Accrued expenses	-	22,553	-	-	-	-
Due to other funds	94,378	-	-	-	-	61,417
Unearned revenue	10,197	-	-	-	-	13,823
Total Liabilities	\$ 105,735	\$ 29,284	\$ -	\$ -	\$ -	\$ 132,482
Fund Balance (Deficit)						
Restricted	-	16,553	-	12,591	713	-
Unassigned	-	-	-	-	-	-
Total Fund Balance (Deficit)	-	16,553	-	12,591	713	-
Total Liabilities, and Fund Balance (Deficit)	\$ 105,735	\$ 45,837	\$ -	\$ 12,591	\$ 713	\$ 132,482



FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2021

	Regional Safe Schools	Regional Safe Schools Cooperative	ROE Technology Maintenance	Teen Court Donations	Teen Court Fines	Title II - Teacher Leadership
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 782	\$ 366	\$ 7,932	\$ -
Due from other governments						
Local	-	-	-	-	-	-
State	-	-	-	-	-	-
Federal	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 782</b>	<b>\$ 366</b>	<b>\$ 7,932</b>	<b>\$ -</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 39	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	7,932	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39</b>	<b>\$ -</b>	<b>\$ 7,932</b>	<b>\$ -</b>
<b>Fund Balance (Deficit)</b>						
Restricted	-	-	743	366	-	-
Unassigned	-	-	-	-	-	-
<b>Total Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 743</b>	<b>\$ 366</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Liabilities, and Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 782</b>	<b>\$ 366</b>	<b>\$ 7,932</b>	<b>\$ -</b>

FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2021

	Title II - Teacher Quality	Truants Alternative Optional Education	Truants Alternative Optional Education Program Training	United Way	ROE/ISC Operations	CEO Midland Institute Fund
Assets						
Cash and cash equivalents	\$ -	\$ 49	\$ -	\$ 5,214	\$ -	\$ -
Due from other governments	-	-	-	-	-	7,631
Local	-	-	-	-	-	-
State	-	-	-	-	-	-
Federal	-	-	-	-	-	-
Total Assets	\$ -	\$ 49	\$ -	\$ 5,214	\$ -	\$ 7,631
Liabilities						
Accounts payable	\$ -	\$ 49	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	1	-	-	-	-	7,631
Unearned revenue	-	-	-	-	-	-
Total Liabilities	1	49	-	-	-	7,631
Fund Balance (Deficit)	-	-	-	5,214	-	-
Restricted	(1)	-	-	-	-	-
Unassigned	(1)	-	-	-	-	-
Total Fund Balance (Deficit)	(1)	-	-	5,214	-	-
Total Liabilities, and Fund Balance (Deficit)	\$ -	\$ 49	\$ -	\$ 5,214	\$ -	\$ 7,631

FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2021

	ESSER	ESSER II	Early Childhood GEER	Digital Equity	Workforce	Totals
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,484
Due from other governments						
Local	-	-	-	-	-	7,631
State	-	-	-	-	10,005	115,740
Federal	-	4,628	1,718	4,258	-	143,086
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 4,628</b>	<b>\$ 1,718</b>	<b>\$ 4,258</b>	<b>\$ 10,005</b>	<b>\$ 339,941</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,221
Accrued expenses	-	1,209	-	-	2,862	26,624
Due to other funds	-	3,016	952	4,144	5,377	176,916
Unearned revenue	-	403	766	114	1,766	35,001
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 4,628</b>	<b>\$ 1,718</b>	<b>\$ 4,258</b>	<b>\$ 10,005</b>	<b>\$ 303,762</b>
<b>Fund Balance (Deficit)</b>						
Restricted	-	-	-	-	-	36,180
Unassigned	-	-	-	-	-	(1)
<b>Total Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,179</b>
<b>Total Liabilities, and Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ 4,628</b>	<b>\$ 1,718</b>	<b>\$ 4,258</b>	<b>\$ 10,005</b>	<b>\$ 339,941</b>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2021**

	Child and Family Connections	Early Childhood Grant	Early Childhood Block Grant	Hearing/Vision Screening	Local Donations	McKinney Education for Homeless Children
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	22,470	\$ -	-
State sources	563,924	446,922	351,147	-	-	-
Federal sources	-	-	-	-	-	355,905
<b>Total Revenues</b>	<b>563,924</b>	<b>446,922</b>	<b>351,147</b>	<b>22,470</b>	<b>-</b>	<b>355,905</b>
<b>EXPENDITURES</b>						
Instructional Services:						
Salaries and benefits	447,554	296,709	288,415	12,844	-	57,057
Purchased services	65,298	29,812	42,308	4,138	-	55,697
Supplies and materials	5,469	35,048	15,752	55	-	3,023
Capital outlay	1,160	-	4,672	-	-	-
Intergovernmental:						
Payments to other governments	-	68,800	-	-	-	240,128
<b>Total Expenditures</b>	<b>519,481</b>	<b>430,369</b>	<b>351,147</b>	<b>17,037</b>	<b>-</b>	<b>355,905</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>44,443</b>	<b>16,553</b>	<b>-</b>	<b>5,433</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	<b>(44,443)</b>	<b>-</b>	<b>-</b>	<b>7,158</b>	<b>713</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<b>\$ -</b>	<b>\$ 16,553</b>	<b>\$ -</b>	<b>\$ 12,591</b>	<b>\$ 713</b>	<b>\$ -</b>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2021**

	Regional Safe Schools	Regional Safe Schools Cooperative	ROE Technology Maintenance	Teen Court Donations	Teen Court Fines	Title II - Teacher Leadership
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 8,107	\$ -
State sources	59,788	37,591	-	-	-	-
Federal sources	-	-	-	-	-	720
Total Revenues	59,788	37,591	-	-	8,107	720
<b>EXPENDITURES</b>						
Instructional Services:						
Salaries and benefits	59,788	27,082	-	-	6,459	-
Purchased services	-	7,138	-	-	670	720
Supplies and materials	-	8,660	-	-	978	-
Capital outlay	-	-	39	-	-	-
Intergovernmental:						
Payments to other governments	-	-	-	-	-	-
Total Expenditures	59,788	42,880	39	-	8,107	720
<b>NET CHANGE IN FUND BALANCE</b>	-	(5,289)	(39)	-	-	-
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	-	5,289	782	366	-	-
<b>FUND BALANCE (DEFICIT) - ENDING</b>	\$ -	\$ -	\$ 743	\$ 366	\$ -	\$ -

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2021**

	Title II - Teacher Quality	Truants Alternative Optional Education	Truants Alternative Optional Education Program Training	United Way	ROE/ISC Operations	CEO Midland Institute Fund
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,625
State sources	-	86,390	250,000	-	110,361	-
Federal sources	-	-	-	-	-	-
Total Revenues	-	86,390	250,000	-	110,361	29,625
<b>EXPENDITURES</b>						
Instructional Services:						
Salaries and benefits	-	62,673	113,082	-	72,182	28,049
Purchased services	-	18,404	181,209	-	13,609	1,576
Supplies and materials	-	4,331	1,153	-	-	-
Capital outlay	-	-	2,195	-	-	-
Intergovernmental:						
Payments to other governments	-	982	2,193	-	24,570	-
Total Expenditures	-	86,390	299,832	-	110,361	29,625
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(49,832)	-	-	-
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	(1)	-	49,832	5,214	-	-
<b>FUND BALANCE (DEFICIT) - ENDING</b>	(1)	-	-	5,214	-	-

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 26  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2021**

	ESSER	ESSER II	Early Childhood GEER	Digital Equity	Workforce	Totals
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 50,234	\$ 110,436
State sources	-	-	-	-	-	1,906,123
Federal sources	381	4,225	20,824	61,983	-	444,038
Total Revenues	381	4,225	20,824	61,983	50,234	2,460,597
<b>EXPENDITURES</b>						
Instructional Services:						
Salaries and benefits	-	3,026	2,448	-	46,557	1,523,925
Purchased services	-	-	-	11,247	3,540	435,366
Supplies and materials	241	-	17,677	33,753	137	126,277
Capital outlay	-	1,199	699	16,983	-	26,947
Intergovernmental:						
Payments to other governments	-	-	-	-	-	336,673
Total Expenditures	241	4,225	20,824	61,983	50,234	2,449,188
NET CHANGE IN FUND BALANCE	140	-	-	-	-	11,409
FUND BALANCE (DEFICIT) - BEGINNING	(140)	-	-	-	-	24,770
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,179

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**CHILD AND FAMILY CONNECTIONS**  
**For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
State sources	\$ 536,038	\$ 521,875	\$ 563,924
Total Revenues	<u>\$ 536,038</u>	<u>\$ 521,875</u>	<u>\$ 563,924</u>
Expenditures			
Salaries and benefits	\$ 451,649	\$ 449,239	\$ 447,554
Purchased services	78,216	64,121	65,298
Supplies and materials	5,346	7,247	5,469
Capital outlay	827	1,268	1,160
Total Expenditures	<u>\$ 536,038</u>	<u>\$ 521,875</u>	<u>\$ 519,481</u>
Net change in fund balances	\$ -	\$ -	\$ 44,443
Fund Balance (Deficit), Beginning	<u>-</u>	<u>-</u>	<u>(44,443)</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**EARLY CHILDHOOD GRANT (3705-00) - 2021**  
**For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
State sources	\$ 436,619	\$ 436,619	\$ 446,922
Total Revenues	<u>436,619</u>	<u>436,619</u>	<u>446,922</u>
Expenditures			
Salaries and benefits	316,187	316,187	296,709
Purchased services	29,887	26,887	29,812
Supplies and materials	21,801	24,801	35,048
Payments to other governments	68,744	68,744	68,800
Total Expenditures	<u>436,619</u>	<u>436,619</u>	<u>430,369</u>
Net change in fund balances	-	-	16,553
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,553</u>

Revenues and expenditures are less than budgeted amounts because the grant ran from July 1, 2020 through June 30, 2021; only part of the grant was received and expended in the current fiscal year.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 EARLY CHILDHOOD BLOCK GRANT (3705-01) - 2021  
 For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
State sources	\$ 344,320	\$ 344,320	\$ 351,147
Total Revenues	<u>344,320</u>	<u>344,320</u>	<u>351,147</u>
Expenditures			
Salaries and benefits	279,138	288,838	288,415
Purchased services	60,226	42,526	42,308
Supplies and materials	4,956	12,956	15,752
Capital outlay	-	-	4,672
Total Expenditures	<u>344,320</u>	<u>344,320</u>	<u>351,147</u>
Net change in fund balances	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Revenues and expenditures are more than budgeted amounts because the 2020 grant ran from July 1, 2019 through August 31, 2020; only part of the grant was received and expended in the current fiscal year.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN (20-4920)  
 For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
Federal	\$ 224,585	\$ 224,585	\$ 1,926
Total Revenues	<u>224,585</u>	<u>224,585</u>	<u>1,926</u>
Expenditures			
Salaries and benefits	35,193	35,193	775
Purchased services	19,352	20,283	794
Supplies and materials	1,601	670	20
Payments to other governments	168,439	168,439	337
Total Expenditures	<u>224,585</u>	<u>224,585</u>	<u>1,926</u>
Net change in fund balances	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Revenues and expenditures are less than budgeted amounts because the grant ran from July 1, 2019 through August 31, 2020; only part of the grant was received and expended in the current fiscal year.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN (21-4920)  
 For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
Federal	\$ 224,585	\$ 333,935	\$ 310,508
Total Revenues	<u>224,585</u>	<u>333,935</u>	<u>310,508</u>
Expenditures			
Salaries and benefits	35,830	35,830	35,779
Purchased services	19,316	41,784	33,172
Supplies and materials	1,000	1,000	1,766
Payments to other governments	168,439	255,321	239,791
Total Expenditures	<u>224,585</u>	<u>333,935</u>	<u>310,508</u>
Net change in fund balances	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN - ROE 26 Subgrant  
 For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
Federal	\$ 44,843	\$ 44,843	43,471
Total Revenues	<u>44,843</u>	<u>44,843</u>	<u>43,471</u>
Expenditures			
Salaries and benefits	20,150	20,150	20,503
Purchased services	20,656	20,656	21,731
Supplies and materials	4,037	4,037	1,237
Total Expenditures	<u>44,843</u>	<u>44,843</u>	<u>43,471</u>
Net change in fund balances	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Revenues and expenditures are less than budgeted amounts because the grant ran from July 1, 2019 through August 31, 2020; only part of the grant was received and expended in the current fiscal year.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 REGIONAL SAFE SCHOOLS (21-3696)  
 For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
State sources	\$ 59,788	\$ 59,788	\$ 59,788
Total Revenues	<u>59,788</u>	<u>59,788</u>	<u>59,788</u>
Expenditures			
Salaries and benefits	<u>59,788</u>	<u>59,788</u>	<u>59,788</u>
Total Expenditures	<u>59,788</u>	<u>59,788</u>	<u>59,788</u>
Net change in fund balances	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**REGIONAL SAFE SCHOOLS COOPERATIVE (21-3999)**  
**For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
State sources	\$ 37,591	\$ 37,591	\$ 37,591
Total Revenues	<u>37,591</u>	<u>37,591</u>	<u>37,591</u>
Expenditures			
Salaries and benefits	22,899	28,074	27,082
Purchased services	10,091	4,916	7,138
Supplies and materials	4,601	4,601	8,660
Total Expenditures	<u>37,591</u>	<u>37,591</u>	<u>42,880</u>
Net change in fund balances	-	-	(5,289)
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>5,289</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**TITLE II - TEACHER LEADERSHIP (21-4935-02)**  
**For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
Federal	\$ 720	\$ 720	\$ 720
Total Revenues	<u>720</u>	<u>720</u>	<u>720</u>
Expenditures			
Purchased services	<u>720</u>	<u>720</u>	<u>720</u>
Total Expenditures	<u>720</u>	<u>720</u>	<u>720</u>
Net change in fund balances	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**TRUANTS ALTERNATIVE OPTIONAL EDUCATION (21-3695)**  
**For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
State sources	\$ 86,245	\$ 86,245	\$ 86,390
Total Revenues	<u>86,245</u>	<u>86,245</u>	<u>86,390</u>
Expenditures			
Salaries and benefits	62,635	62,635	62,673
Purchased services	19,900	19,900	18,404
Supplies and materials	3,710	3,710	4,331
Payments to other governments	-	-	982
Total Expenditures	<u>86,245</u>	<u>86,245</u>	<u>86,390</u>
Net change in fund balances	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TRUANTS ALTERNATIVE OPTIONAL EDUCATION PROGRAM TRAINING  
 (20-3695-PD)  
 For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
State sources	\$ 200,000	\$ 200,000	\$ 50,000
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>50,000</u>
Expenditures			
Salaries and benefits	82,397	82,397	-
Purchased services	116,031	115,031	99,118
Supplies and materials	-	1,000	714
Payments to other governments	1,572	1,572	-
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>99,832</u>
Net change in fund balances	-	-	(49,832)
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>49,832</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Revenues and expenditures are less than budgeted amounts because the grant ran from October 1, 2019 through June 30, 2021; only part of the grant was received and expended in the current fiscal year.

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**TRUANTS ALTERNATIVE OPTIONAL EDUCATION PROGRAM TRAINING**  
**(21-3695-PD)**  
**For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
State sources	\$ 200,000	\$ 200,000	\$ 200,000
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Expenditures			
Salaries and benefits	113,954	113,954	113,082
Purchased services	83,446	81,247	82,091
Supplies and materials	500	500	439
Capital outlay	-	2,199	2,195
Payments to other governments	2,100	2,100	2,193
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Net change in fund balances	\$ -	\$ -	\$ -
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**ROE/ISC OPERATIONS**  
**For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
State sources	\$ 110,361	\$ 110,361	\$ 110,361
Total Revenues	<u>110,361</u>	<u>110,361</u>	<u>110,361</u>
Expenditures			
Salaries and benefits	71,230	71,230	72,182
Purchased services	15,971	15,971	13,609
Payments to other governments	23,160	23,160	24,570
Total Expenditures	<u>110,361</u>	<u>110,361</u>	<u>110,361</u>
Net change in fund balances	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**ESSER**  
**For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
Federal	\$ 1,428	\$ 1,428	\$ 381
Total Revenues	<u>1,428</u>	<u>1,428</u>	<u>381</u>
Expenditures			
Supplies and materials	<u>1,428</u>	<u>1,428</u>	<u>241</u>
Total Expenditures	<u>1,428</u>	<u>1,428</u>	<u>241</u>
Net change in fund balances	-	-	140
Fund Balance (Deficit), Beginning	<u>-</u>	<u>-</u>	<u>(140)</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**ESSER II**  
**For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
Federal	\$ 4,628	\$ 4,628	\$ 4,225
Total Revenues	<u>4,628</u>	<u>4,628</u>	<u>4,225</u>
Expenditures			
Salaries and benefits	3,431	3,431	3,026
Capital outlay	<u>1,197</u>	<u>1,197</u>	<u>1,199</u>
Total Expenditures	<u>4,628</u>	<u>4,628</u>	<u>4,225</u>
Net change in fund balances	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**EARLY CHILDHOOD - GEER**  
**For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
Federal	\$ 21,590	\$ 21,590	\$ 20,824
Total Revenues	<u>21,590</u>	<u>21,590</u>	<u>20,824</u>
Expenditures			
Salaries and benefits	4,000	2,450	2,448
Supplies and materials	16,891	17,742	17,677
Capital outlay	699	1,398	699
Total Expenditures	<u>21,590</u>	<u>21,590</u>	<u>20,824</u>
Net change in fund balances	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**DIGITAL EQUITY**  
**For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
Federal	\$ 62,097	\$ 62,097	\$ 61,983
Total Revenues	<u>62,097</u>	<u>62,097</u>	<u>61,983</u>
Expenditures			
Purchased services	8,185	8,185	11,247
Supplies and materials	33,207	33,207	33,753
Other objects	3,722	3,722	-
Capital outlay	16,983	16,983	16,983
Total Expenditures	<u>62,097</u>	<u>62,097</u>	<u>61,983</u>
Net change in fund balances	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 WORKFORCE  
 For the Year Ended June 30, 2021**

	Original Budget	Revised Budget	Actual
Revenues			
Local	\$ 52,000	\$ 52,000	\$ 50,234
Total Revenues	<u>52,000</u>	<u>52,000</u>	<u>50,234</u>
Expenditures			
Salaries and benefits	43,197	47,151	46,557
Purchased services	7,243	3,289	3,540
Supplies and materials	1,560	1,560	137
Total Expenditures	<u>52,000</u>	<u>52,000</u>	<u>50,234</u>
Net change in fund balances	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2021**

	General Education Development Fund	Bus Driver Training	Institute	Totals
Assets				
Cash and cash equivalents	\$ 13,398	\$ 23,955	\$ 70,297	\$ 107,650
Total Assets	<u>\$ 13,398</u>	<u>\$ 23,955</u>	<u>\$ 70,297</u>	<u>\$ 107,650</u>
Fund Balance				
Restricted	\$ 13,398	\$ 23,955	\$ 70,297	\$ 107,650
Total Fund Balance	<u>13,398</u>	<u>23,955</u>	<u>70,297</u>	<u>107,650</u>
Total Liabilities and Fund Balance	<u>\$ 13,398</u>	<u>\$ 23,955</u>	<u>\$ 70,297</u>	<u>\$ 107,650</u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2021**

	General Education Development Fund	Bus Driver Training	Institute	Totals
Revenues				
Local sources	\$ 2,525	\$ 2,790	\$ 26,545	\$ 31,860
State sources	-	1,325	-	1,325
Investment earnings	-	-	11	11
Total Revenues	<u>2,525</u>	<u>4,115</u>	<u>26,556</u>	<u>33,196</u>
Expenditures				
Instructional Services:				
Salaries and benefits	1,400	2,907	26,423	30,730
Purchased services	1,326	2,022	10,282	13,630
Supplies and material	202	398	-	600
Capital outlay	-	-	-	-
Total Expenditures	<u>2,928</u>	<u>5,327</u>	<u>36,705</u>	<u>44,960</u>
Net change in fund balance	(403)	(1,212)	(10,149)	(11,764)
Fund Balance, Beginning	<u>13,801</u>	<u>25,167</u>	<u>80,446</u>	<u>119,414</u>
Fund Balance, Ending	<u>\$ 13,398</u>	<u>\$ 23,955</u>	<u>\$ 70,297</u>	<u>\$ 107,650</u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 June 30, 2021**

	Business-type Activities Enterprise Funds Fingerprinting Fund		Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 36,221	\$	36,221
Due from other funds	-		-
Total current assets	36,221		36,221
Total Assets	\$ 36,221	\$	36,221
 LIABILITIES			
Due to other governments - Local Accounts payable	\$ 1,180	\$	1,180
TOTAL LIABILITIES	\$ 1,180	\$	1,180
 Net Position			
Unrestricted	\$ 35,041	\$	35,041
Total Net Position	\$ 35,041	\$	35,041

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 For the Year Ended June 30, 2021**

	Business-type Activities Enterprise Funds <u>Fingerprinting Fund</u>	<u>Totals</u>
Operating Revenues		
Fees for services	\$ 38,364	\$ 38,364
Total Operating Revenues	<u>38,364</u>	<u>38,364</u>
Operating Expenses		
Purchased services	<u>29,855</u>	<u>29,855</u>
Total Operating Expenses	<u>29,855</u>	<u>29,855</u>
Operating Income	8,509	8,509
Total Net Position - Beginning	<u>26,532</u>	<u>26,532</u>
Total Net Position - Ending	<u>\$ 35,041</u>	<u>\$ 35,041</u>

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2021**

	Business-type Activities	
	Enterprise Funds	
	Fingerprinting	
	Fund	Totals
Cash Flows from Operating Activities:		
Receipts from customers	\$ 38,364	\$ 38,364
Payments to suppliers and providers of goods and services	(29,710)	(29,710)
Payments to employees	-	-
Net cash provided by operating activities	<u>8,654</u>	<u>8,654</u>
Net increase in cash and cash equivalents	8,654	8,654
Cash and cash equivalents - Beginning	<u>27,567</u>	<u>27,567</u>
Cash and cash equivalents - Ending	<u>\$ 36,221</u>	<u>\$ 36,221</u>
Reconciliation of operating loss to net cash used for operating activities:		
Operating income	\$ 8,509	\$ 8,509
Adjustments to reconcile operating loss to net cash used for operating activities:		
Increase in liabilities:		
Increase in accounts payable	<u>145</u>	<u>145</u>
Net cash used for operating activities	<u>\$ 8,654</u>	<u>\$ 8,654</u>

FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 26  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 June 30, 2021

	Distributive Fund	Administrators Roundtable	Area III Superintendents	Hancock County Principal	Regional Board of School Trustees	School Occupation Facility Tax	Western Area Career System	Totals
Assets								
Cash and cash equivalents	\$ 2,875	\$ 7,554	\$ 85,184	\$ 1,608	\$ 2,220	\$ 1	\$ (4,110)	\$ 95,332
Due from other governments	10,938	-	-	-	-	-	4,110	15,048
Total Assets	13,813	7,554	85,184	1,608	2,220	1	-	110,380
Liabilities								
Due to other governments	13,813	-	-	-	-	1	-	13,814
Total Liabilities	13,813	-	-	-	-	1	-	13,814
Net Position								
Restricted-for individuals and other governments:	-	7,554	85,184	1,608	2,220	-	-	96,566
Total net position	\$ -	\$ 7,554	\$ 85,184	\$ 1,608	\$ 2,220	\$ -	\$ -	\$ 96,566

**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**For the Year Ended June 30, 2021**

	Distributive Fund	Administrators Roundtable	Area III Superintendents	Hancock County Principal	Regional Board of School Trustees	School Occupation Facility Tax	Western Area Career System	Totals
<b>ADDITIONS</b>								
School occupation facility tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,444,904	\$ -	\$ 4,444,904
Intergovernmental receipts for others	564,666	373	1,500	-	1,567	-	680	568,786
Total Additions	564,666	373	1,500	-	1,567	4,444,904	680	5,013,690
<b>DEDUCTIONS</b>								
School occupation facility tax	-	-	-	-	-	4,444,904	-	4,444,904
Intergovernmental disbursements for others	564,666	-	184	-	2,127	-	680	567,657
Total deductions	564,666	-	184	-	2,127	4,444,904	680	5,012,561
CHANGE IN NET POSITION	-	373	1,316	-	(560)	-	-	1,129
<b>NET POSITION - BEGINNING</b>								
As previously reported	-	-	-	-	-	-	-	-
Prior period adjustment (see Note 15)	-	7,181	83,868	1,608	2,780	-	-	95,437
As adjusted	-	7,181	83,868	1,608	2,780	-	-	95,437
<b>NET POSITION - ENDING</b>	\$ -	\$ 7,554	\$ 85,184	\$ 1,608	\$ 2,220	\$ -	\$ -	\$ 96,566



**FULTON, HANCOCK, MCDONOUGH, AND SCHUYLER COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 26**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES**  
**DISTRIBUTIVE FUND**  
**For the Year Ended June 30, 2021**

Distributions	Acct. No.	Western Area Career System		West Central Illinois Special Ed		Totals
<b>State Funds</b>						
Career & Technical Ed Improvement (CTEI)	3220	\$	427,458	\$	-	\$ 427,458
State Free Lunch & Breakfast	3360		-		348	348
<b>Total State Funds</b>		\$	<b>427,458</b>	\$	<b>348</b>	\$ <b>427,806</b>
<b>Federal Funds</b>						
National School Lunch Program	4210	\$	-	\$	4,930	\$ 4,930
School Breakfast Program	4220		-		3,187	3,187
Summer Food Service Program	4225		-		26,166	26,166
Fed.- Sp. Ed - Pre-School Flow Through	4600		-		4,366	4,366
Fed.- Sp. Ed - I.D.E.A. Flow Through	4620		-		2,914	2,914
CTE-Perkins Secondary	4745		95,297		-	95,297
<b>Total Federal Funds</b>		\$	<b>95,297</b>	\$	<b>41,563</b>	\$ <b>136,860</b>
<b>Total Distributions</b>		\$	<b>522,755</b>	\$	<b>41,911</b>	\$ <b>564,666</b>