



**STATE OF ILLINOIS
FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21**

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

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

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21**

TABLE OF CONTENTS

	PAGE	
OFFICIALS	1	
COMPLIANCE REPORT SUMMARY.....	2	
FINANCIAL STATEMENT REPORT SUMMARY.....	4	
 FINANCIAL SECTION		
Independent Auditor’s Report.....	5	
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 <i>Government Auditing Standards</i>	8	
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	10	
Schedule of Findings and Questioned Costs.....	13	
Financial Statement Findings.....	14	
Federal Award Findings	15	
Corrective Action Plan for Current Year Audit Findings.....	16	
Summary Schedule of Prior Audit Findings Not Repeated.....	17	
 BASIC FINANCIAL STATEMENTS		
		EXHIBIT
Government-wide Financial Statements		
Statement of Net Position - Cash Basis.....	A	18
Statement of Activities - Cash Basis.....	B	19
Fund Financial Statements		
Governmental Funds - Balance Sheet - Cash Basis.....	C	20
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis.....	D	21
Proprietary Fund - Statement of Net Position - Cash Basis.....	E	22
Proprietary Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position - Cash Basis.....	F	23
Fiduciary Fund - Statement of Fiduciary Net Position - Cash Basis.....	G	24
Fiduciary Fund - Statement of Changes in Fiduciary Net Position - Cash Basis.....	H	25
Notes to the Financial Statements.....		26

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21**

TABLE OF CONTENTS (CONTINUED)

SUPPLEMENTAL INFORMATION	SCHEDULE	PAGE
General Fund Accounts:		
Combining Schedule of Accounts - Cash Basis.....	1	54
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis.....	2	55
Education Fund Accounts:		
Combining Schedule of Accounts - Cash Basis.....	3	56
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis.....	4	58
Budgetary Comparison Schedules:		
McKinney Education for Homeless Children.....	5	60
Substance Abuse Prevention and Treatment.....	6	61
Regional Safe Schools Cooperative Education Program	7	62
Title II - Teacher Quality Leadership.....	8	63
ROE/ISC Operations.....	9	64
Regional Safe Schools.....	10	65
Truants Alternative/Optional Education.....	11	66
Other Federal Programs (Digital Equity)	12	67
Other Federal Programs (Digital Professional Learning)	13	68
Other Federal Programs (ESSER)	14	69
Elevating Special Educators (ESE).....	15	70
Institute Fund Accounts:		
Combining Balance Sheet - Cash Basis.....	16	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis.....	17	72
Nonmajor Special Revenue Funds:		
Combining Balance Sheet - Cash Basis.....	18	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis.....	19	74
Fiduciary Fund Accounts:		
Combining Statement of Fiduciary Net Position - Custodial Funds - Cash Basis.....	20	75
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds - Cash Basis.....	21	76

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21**

TABLE OF CONTENTS (CONTINUED)

SUPPLEMENTAL INFORMATION (CONTINUED)		PAGE
	SCHEDULE	
Schedule of Cash Disbursements to School District Treasurers and Other Entities.....	22	77
Schedule of Expenditures of Federal Awards.....	23	78
Notes to the Schedule of Expenditures of Federal Awards.....		79

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21**

OFFICIALS

Regional Superintendent
(current and during the audit period)

Ms. Lorie LeQuatte

Assistant Regional Superintendent
(current and during the audit period)

Ms. Mandy Horn

Office is located at:

Franklin County Office
901 Public Square
Benton, IL 62812

502 W. Jackson
Marion, IL 62959

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

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

ECHO Juvenile Detention Center Program
409 E. Washington St.
Benton, IL 62812

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

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

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
COMPLIANCE REPORT SUMMARY**

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

AUDITOR’S REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
------------------------	--------------------	---------------------------	----------------------------

Findings (Government Auditing Standards)

None

Findings and Questioned Costs (Federal Compliance)

None

Prior Audit Findings not Repeated (Government Auditing Standards)

2020-001	17	Controls Over Financial Statement Preparation	Material Weakness
2020-002	17	Inadequate Internal Control Procedures	Material Weakness

Prior Audit Findings not Repeated (Federal Compliance)

None

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
COMPLIANCE REPORT SUMMARY (CONCLUDED)**

EXIT CONFERENCE

No formal exit conference was held with the management of Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21.

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21 was performed by Adelfia LLC.

Based on their audit, the auditors expressed an unmodified opinion on Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's basic financial statements.



INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21, as of June 30, 2021, and the respective changes in cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with cash basis of accounting described in Note 1.

Other Matters

Emphasis of Matter

As discussed in Note 13 to the financial statements, beginning with fiscal year 2021, Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21 has presented its financial statements in accordance with the cash basis of accounting described in Note 1 and adopted new accounting guidance related to Governmental Accounting Standards Statement No. 84, Fiduciary Activities. Previous financial statements were presented in accordance with generally accepted accounting principles (GAAP). Our opinion is not modified with respect to these matters.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's basic financial statements. The combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022 on our consideration of the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
June 28, 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 cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21’s basic financial statements, and have issued our report thereon dated June 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21’s internal control. Accordingly, we do not express an opinion on the effectiveness of Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of

deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
June 28, 2022



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's major federal programs for the year ended June 30, 2021. The Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit

includes examining, on a test basis, evidence about the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's compliance.

Opinion on Each Major Federal Program

In our opinion, the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Franklin, Johnson, Massac, and Williamson Counties Regional Office of Education No. 21's internal control over compliance.

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

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

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

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

SIGNED ORIGINAL ON FILE

Chicago, Illinois
June 28, 2022

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION I – SUMMARY OF AUDITOR’S RESULTS
For the Year Ended June 30, 2021**

Financial Statements in accordance with Cash Basis

Type of auditor’s report issued: *Unmodified*

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

Noncompliance material to financial statements noted? yes No

Federal Awards

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

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

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

Identification of major federal programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.196A	McKinney Education for Homeless Children

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

Auditee qualified as low-risk auditee? yes no

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

No findings were noted for the year ended June 30, 2021.

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
For the Year Ended June 30, 2021**

INSTANCES OF NONCOMPLIANCE:

None

SIGNIFICANT DEFICIENCIES:

None

MATERIAL WEAKNESSES:

None

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2021**

No findings were noted for the year ended June 30, 2021.

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2021**

2020-001	Controls Over Financial Statement Preparation	Not Repeated
----------	---	--------------

During the current audit, the Regional Office of Education No. 21's financial statements were prepared on the cash basis of accounting.

2020-002	Inadequate Internal Control Procedures	Not Repeated
----------	--	--------------

During the current audit, the Regional Office of Education No. 21 revised their system of internal controls to include additional separation of duties.

BASIC FINANCIAL STATEMENTS

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2021

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,457,230	\$ 129,943	\$ 1,587,173
TOTAL ASSETS	<u>1,457,230</u>	<u>129,943</u>	<u>1,587,173</u>
NET POSITION			
Restricted for educational purposes	61,426	-	61,426
Unrestricted	1,395,804	129,943	1,525,747
TOTAL NET POSITION	<u>\$ 1,457,230</u>	<u>\$ 129,943</u>	<u>\$ 1,587,173</u>

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

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 STATEMENT OF ACTIVITIES - CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position			
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Instructional services:							
Salaries	\$ 1,407,223	\$ -	\$ 1,106,677	\$ -	\$ (300,546)	\$ -	\$ (300,546)
Purchased services	359,772	-	306,646	-	(53,126)	-	(53,126)
Supplies and materials	129,494	-	99,689	-	(29,805)	-	(29,805)
Capital outlay	83,147	-	78,849	-	(4,298)	-	(4,298)
OPEB expense	5,196	-	4,212	-	(984)	-	(984)
Pension expense	40,139	-	38,639	-	(1,500)	-	(1,500)
Intergovernmental:							
Payments to other governmental units	421,617	-	412,393	-	(9,224)	-	(9,224)
Total governmental activities	2,446,588	-	2,047,105	-	(399,483)	-	(399,483)
Business-type activities:							
Professional development	36,079	84,838	-	-	-	48,759	48,759
Fees for service	59,916	59,916	-	-	-	-	-
Total business-type activities	95,995	144,754	-	-	-	48,759	48,759
Total primary government	\$ 2,542,583	\$ 144,754	\$ 2,047,105	\$ -	\$ (399,483)	\$ 48,759	\$ (350,724)
General receipts:							
Local sources					943,120	-	943,120
Interest					7,161	632	7,793
Total general receipts					950,281	632	950,913
Change in net position					550,798	49,391	600,189
Net position - beginning of year, restated (see note 13)					906,432	80,552	986,984
Net position - end of year					\$ 1,457,230	\$ 129,943	\$ 1,587,173

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

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
BALANCE SHEET- CASH BASIS
GOVERNMENTAL FUNDS
June 30, 2021

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,395,804	\$ (94,599)	\$ 128,582	\$ 27,443	\$ 1,457,230
TOTAL ASSETS	<u>\$ 1,395,804</u>	<u>\$ (94,599)</u>	<u>\$ 128,582</u>	<u>\$ 27,443</u>	<u>\$ 1,457,230</u>
FUND BALANCES (DEFICIT)					
Restricted	\$ -	\$ 18,715	\$ 128,582	\$ 27,443	\$ 174,740
Assigned	64,639	-	-	-	64,639
Unassigned	1,331,165	(113,314)	-	-	1,217,851
Total fund balances	<u>\$ 1,395,804</u>	<u>\$ (94,599)</u>	<u>\$ 128,582</u>	<u>\$ 27,443</u>	<u>\$ 1,457,230</u>

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

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources	\$ 880,796	\$ -	\$ 54,582	\$ 7,742	\$ 943,120
State sources	723,389	475,025	-	1,458	1,199,872
Federal sources	-	847,233	-	-	847,233
Interest income	6,351	-	661	149	7,161
Total revenues	<u>1,610,536</u>	<u>1,322,258</u>	<u>55,243</u>	<u>9,349</u>	<u>2,997,386</u>
EXPENDITURES					
Instructional services:					
Salaries and Benefits	823,484	580,886	-	2,853	1,407,223
Pension expense	9,399	30,740	-	-	40,139
OPEB expense	3,938	1,258	-	-	5,196
Purchased services	172,834	162,408	22,202	2,328	359,772
Supplies and materials	47,126	69,292	12,496	580	129,494
Intergovernmental:					
Payments to other governmental units	4,997	416,620	-	-	421,617
Capital outlay	10,968	68,450	3,729	-	83,147
Total expenditures	<u>1,072,746</u>	<u>1,329,654</u>	<u>38,427</u>	<u>5,761</u>	<u>2,446,588</u>
NET CHANGE IN FUND BALANCES	537,790	(7,396)	16,816	3,588	550,798
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, restated (see note 13)	<u>858,014</u>	<u>(87,203)</u>	<u>111,766</u>	<u>23,855</u>	<u>906,432</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 1,395,804</u>	<u>\$ (94,599)</u>	<u>\$ 128,582</u>	<u>\$ 27,443</u>	<u>\$ 1,457,230</u>

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

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
STATEMENT OF NET POSITION- CASH BASIS
PROPRIETARY FUNDS
JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds		
	Major Proprietary Fund	Nonmajor Proprietary Fund	
	Enterprise/ Workshop	Paper Bid	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 129,943	\$ -	\$ 129,943
Total current assets	129,943	-	129,943
NET POSITION			
Unrestricted	129,943	-	129,943
TOTAL NET POSITION	\$ 129,943	\$ -	\$ 129,943

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

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION- CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds		
	Major Proprietary Fund	Nonmajor Proprietary Fund	Total
	Enterprise/ Workshop	Paper Bid	
OPERATING RECEIPTS			
Charges for services	\$ 84,838	\$ 59,916	\$ 144,754
Total operating receipts	<u>84,838</u>	<u>59,916</u>	<u>144,754</u>
OPERATING DISBURSEMENTS			
Salaries	2,550	-	2,550
Purchased services	28,866	-	28,866
Supplies and materials	3,914	59,916	63,830
Capital outlay	749	-	749
Total operating disbursements	<u>36,079</u>	<u>59,916</u>	<u>95,995</u>
OPERATING INCOME	<u>48,759</u>	<u>-</u>	<u>48,759</u>
NONOPERATING RECEIPTS			
Interest	632	-	632
Total nonoperating receipts	<u>632</u>	<u>-</u>	<u>632</u>
CHANGE IN FUND NET POSITION	49,391	-	49,391
NET POSITION - BEGINNING, restated (see note 13)	<u>80,552</u>	<u>-</u>	<u>80,552</u>
NET POSITION - ENDING	<u>\$ 129,943</u>	<u>\$ -</u>	<u>\$ 129,943</u>

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

EXHIBIT G

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
STATEMENT OF FIDUCIARY NET POSITION- CASH BASIS
FIDUCIARY FUND
JUNE 30, 2021**

ASSETS	<u>Custodial Funds</u>
Cash and cash equivalents	<u>\$ 7,613</u>
Total Assets	<u><u>\$ 7,613</u></u>
NET POSITION	
Restricted for other purposes	<u>\$ 7,613</u>
Total Net Position	<u><u>\$ 7,613</u></u>

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

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION- CASH BASIS
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Custodial Funds
ADDITIONS	
Contributions	\$ 3,281
Sales tax collections for other governments	9,944,459
Total additions	9,947,740
DEDUCTIONS	
Benefit payments	1,346
Payments of sales tax to other governments	9,943,289
Total deductions	9,944,635
Change in Fiduciary Net Position	3,105
NET POSITION, BEGINNING OF YEAR, restated (see note 13)	4,508
NET POSITION, END OF YEAR	\$ 7,613

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

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education No. 21 was formed under the provisions of the State of Illinois, Illinois State Board of Education. As discussed further, the financial statements are prepared on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Financial Reporting Entity

The ROE operates under the School Code (Articles 5/3 and 5/3A of *Illinois Compiled Statutes*, Chapter 105). The Regional Office of Education No. 21 encompasses Franklin, Johnson, Massac, and Williamson Counties. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the Regional Office of Education No. 21 and is elected pursuant to Article 3, *Illinois Compiled Statutes*, Chapter 105.

The Regional Superintendent is charged with the responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers' institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in the region; examine evidence of indebtedness; file and keep returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 21 districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; to perform and report on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions, and to carry out other related duties required or permitted by law.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A Financial Reporting Entity (Continued)

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurer's bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts under the Regional Superintendent's control are properly bonded. The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for districts in the region or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2021, the Regional Office of Education No. 21 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education No. 21. Such activities are reported as a single major fund (Education Fund).

The Regional Office of Education No. 21 also acts as the administrative agent for the Franklin County Regional Delivery System (a joint agreement). As administrative agent, the Regional Office of Education No. 21 is responsible for the receipt and distribution of the System's funding, as well as all necessary reporting requirements for the Illinois State Board of Education and other granting agencies.

B. Scope of Reporting Entity

The Regional Office of Education No. 21's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education No. 21 has developed criteria to determine whether outside agencies with activities that benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in the financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education No. 21 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Scope of Reporting Entity (Continued)

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education No. 21 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education No. 21 is not aware of any entity which would exercise such oversight as to result in the Regional Office of Education No. 21 being considered a component unit of the entity.

Based on criteria above, the expenditures paid through the funds of Franklin, Johnson, Massac, and Williamson Counties, for operation of the Regional Office of Education No. 21, are not included in the reporting entity because it is the county boards that authorize, oversee, and control these expenditures.

C. Government-wide and Fund Financial Statements

The Statement of Net Position- Cash Basis and the Statement of Activities- Cash Basis are government-wide financial statements. They report information on all of the non-fiduciary activities of the Regional Office of Education No. 21. The effect of interfund activity has been removed from these statements. Governmental activities are supported by intergovernmental revenues and are reported separate from business-type activities, which rely, to a significant extent, on fees and charges for support.

The Statement of Net Position- Cash Basis and the Statement of Activities- Cash Basis are presented on an “economic resources” measurement focus, within the limitation of the cash basis of accounting as defined below, prescribed by GASB Statement No. 34. All of the Regional Office of Education No. 21’s assets are included in the accompanying Statement of Net Position – Cash Basis. The Statement of Activities – cash basis demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function. Program receipts include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program receipts are reported instead as general receipts.

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

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

D. Proprietary Fund Financial Statements

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

Proprietary funds are accounted for using the “economic resources” measurement focus, within the limitation of the cash basis of accounting as defined below. Accordingly, all assets are included on the Statement of Net Position- Cash Basis. The Statement of Revenues, Expenses and Changes in Fund Net Position- Cash Basis presents increases (receipts) and decreases (disbursements) in total net position. Under the cash basis of accounting receipts are recognized in the period in which they are received while disbursements are recognized in the period in which the liability is disbursed.

Operating receipts in the proprietary funds are those receipts that are generated from the primary operations of the fund. All other receipts, if any, are reported as non-operating receipts. Operating disbursements are those disbursements that are essential to the primary operations of the fund. All other disbursements, if any, are reported as non-operating disbursements.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet- Cash Basis and a Statement of Revenues, Expenditures, and Changes in Fund Balances- Cash Basis for all major governmental funds and non-major funds aggregated.

Governmental fund financial statements are reported using the current financial resources measurement focus, as applied to the cash basis of accounting. Only current financial assets are generally included on their balance sheet. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measurement of available spendable financial resources at the end of the period.

F. Measurement Focus and Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and component unit activities are presented using a cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenditures when they result from cash transactions with the exception that tangible non-cash assistance is recorded. Fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. In addition, capital assets, the post-employment liabilities and related expenses, deferred inflows and deferred outflows, if applicable, are not recorded in these financial statements.

If the Regional Office utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. The government-wide financials would be presented on the accrual basis of accounting.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Measurement Focus and Basis of Accounting (Continued)

Under the terms of grant agreements, Regional Office of Education No. 21 funds certain programs by a combination of specific cost-reimbursement grants and general receipts. Thus, when program disbursements are incurred, there are both restricted and unrestricted resources available to finance the program. It is the Regional Office of Education No. 21's policy to first apply restricted funds, then unrestricted resources, as they are needed. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

G. Fund Accounting

The Regional Office of Education No. 21 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education No. 21 uses governmental, proprietary, and fiduciary funds.

Governmental Funds

Governmental funds are those through which most governmental functions of the Regional Office of Education No. 21 are typically reported. Reporting for governmental funds focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Governmental Funds (Continued)

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets, liabilities, 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, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education No. 21 has presented all major funds that met the above qualifications.

The Regional Office of Education No. 21 reports the following major governmental funds:

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

County Budget – Accounts for monies received from the Franklin, Johnson, Massac, and Williamson County Boards to help support the day-to-day staffing and expenses of the Regional Office of Education No. 21.

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

General Operating - Used to accumulate miscellaneous receipts used to support the day-to-day expenses of the Regional Office of Education No. 21.

School Facility Occupation Tax (SFOT) Interest Allocation – Used to account for the interest earned on the Franklin and Williamson Counties School Facility Occupation Tax while it is held in the Regional Office of Education No. 21's accounts before each month's distribution. If the Regional Office of Education No. 21 has agreements in place with the school districts, the Regional Office of Education No. 21 may keep the interest earned.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Governmental Funds (Continued)

General (Continued)

Interest Allocation – Accounts for accumulated interest earned on Regional Office of Education No. 21 funds from the Illinois Funds and local banks and allocated on a monthly basis to funds having cash balances.

General State Aid Safe Schools – Used to account for General State Aid monies and local monies received for programs – i.e. S.T.A.R. Quest Academy RSSP – for disruptive students in public schools served by the Regional Office of Education No. 21 who are eligible for suspension or expulsion.

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

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

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

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

Substance Abuse Prevention and Treatment Block Grant – The Regional Office of Education No. 21 is the administrative agent for the Department of Human Services funded Community Prevention Resources program which supports prevention professionals trained to assist communities and schools with the knowledge and skills for effective alcohol, tobacco, and other drug prevention.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Governmental Funds (Continued)

Education (Continued)

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

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

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

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

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

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

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

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Governmental Funds (Continued)

Education (Continued)

Elementary and Secondary School Emergency Relief (ESSER) – To account for the emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation. Local Education Agency’s must provide equitable services to student and teachers in non-public schools as required under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Digital Equity - Elementary and Secondary Digital Equity is a one-time grant opportunity that utilized CARES Act Funding to close the digital divide and enable digital-age teaching and learning.

Digital Professional Learning - Elementary and Secondary Digital Professional Learning is a one-time grant opportunity that utilized CARES Act Funding to assist districts in reducing barriers to the continuity of education by addressing professional learning needs related to digital remote learning.

Elevating Special Educators (ESE) – This Grant is for the strong need to decrease gaps and weaknesses in services, infrastructure, and opportunities associated with improving the performance of students with disabilities and the overall student population. This grant allows better access to coordinated professional development in order to increase student growth and achievement, and additionally, an opportunity to recruit and retain highly qualified teachers.

Team Lead - The TEAM LEAD Project, funded by USDE through the SEED Program, is focused on increasing principal effectiveness in areas that lead to increases in student achievement particularly in high-need schools. The purpose of the SEED program is to increase the number of highly effective educators by supporting the implementation of evidence-based practices that prepare, develop, or enhance educators. TEAM LEAD will achieve the grant objective by implementing an evidence-based strategy that builds upon existing partnerships and practices to develop culturally competent schools leaders form diverse backgrounds that can improve student outcomes, particularly for high-need students. TEAM LEAD represents an exceptional approach to increasing principal effectiveness by providing professional development and coaching support to current school leaders that improve instructional and administrative leadership and the school’s climate and culture. The project aims to increase the positive impact leadership has on student outcomes.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Governmental Funds (Continued)

Education (Continued)

Grow Your Own - To address the severe shortage of qualified teachers within Illinois rural and small school districts. Grant dollars are awarded to partners who have agreed to assist in programmatic implementation of the grant goals.

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

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

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

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

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

General Education Development Fund – Accounts for the administration of the General Education Development (GED) Testing Program with revenues from testing and diploma fees used to pay administrative expenses incurred. Illinois law requires the Regional Superintendent of Schools of each county/counties to administer the GED test. The GED tests are given through Pearson VUE, an outside vendor, and are proctored by the Regional Office’s staff in a computer lab located at John A. Logan College in Williamson County. Shawnee College in Ullin is another local Pearson VUE testing center for the southern counties of the Regional Office of Education No. 21.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Proprietary Funds

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education No. 21 on a cost reimbursement basis are reported:

Major Proprietary Funds – The Regional Office of Education No. 21 reports the following proprietary funds as a major fund:

Enterprise/Workshop – Used to account for revenues received from workshops held by the Regional Office of Education No. 21.

Nonmajor Proprietary Funds – The Regional Office of Education No. 21 reports the following proprietary funds as a nonmajor fund:

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

Fiduciary Funds

Custodial Funds are used to account for assets held by the Regional Office of Education No. 21 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Custodial funds include the following:

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

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Accounting (Continued)

Fiduciary Funds (Continued)

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

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

H. Governmental Cash Basis Fund Balances

The following types of fund balances may be presented in the Governmental Funds Balance Sheet- Cash Basis and Governmental Funds Combining Schedule of Accounts- Cash Basis:

Nonspendable Fund Balance – The portion of a governmental fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. There are no funds with nonspendable fund balances.

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

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Governmental Fund Balances (Continued)

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

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

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

I. Cash Basis Net Position

In the government-wide financial statements, net position is displayed in two components:

Restricted net position – Consists of restricted assets related to restricted funds.

Unrestricted net position – The net amount of assets that are not included in the determination of restricted component of net position.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit. The Regional Office of Education No. 21 considers all liquid investments, including certificates of deposit with an original maturity date of less than three months, to be cash equivalents.

K. Compensated Absences

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

L. Budget Information

The Regional Office of Education No. 21 acts as the administrative agent for certain grant programs that are accounted for within the Education Fund. These programs have separate budgets that are required to be reported to the Illinois State Board of Education and Illinois Department of Human Services, however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results for the following programs are presented as supplementary information: McKinney Education for Homeless Children, Substance Abuse Prevention and Treatment Block Grant, RSSCEP, Title II Teacher Quality – Leadership, ROE/ISC Operations, Regional Safe Schools, Truants Alternative/Optional Education, ESSER Grant, Digital Equity, ESE and Other Federal Programs (Digital Professional Learning Fund).

M. Subsequent Events

Management has evaluated subsequent events through June 28, 2022, the date the financial statements were available to be issued.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 2: CASH AND CASH EQUIVALENTS

The *Illinois Compiled Statutes* authorize the Regional Office of Education No. 21 to make deposits and invest in U.S. Government, State of Illinois and municipal securities; certificates of deposit or time savings deposits insured by the FDIC; mortgage notes, bonds, or debentures issued by the Federal Housing Administration; bonds and other obligations of the Federal National Mortgage Association; commercial paper rated within the three highest classifications by at least two standard rating services; credit union shares; and the Illinois Public Treasurer's Investment Pool.

A. Deposits

At June 30, 2021, the carrying amount of the Regional Office of Education No. 21's government-wide and fiduciary fund deposits were \$1,587,173 and \$7,613, respectively and the bank balances were \$1,654,113.

At June 30, 2021, \$250,00 of the Regional Office of Education No. 21's cash deposits were insured by the Federal Deposit Insurance Corporation and \$1,404,113 was collateralized by pledged collateral not held in the Regional Office of Education No. 21's name.

B. Investments

At June 30, 2021, the carrying amount of the Regional Office of Education No. 21's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$127. The bank balance invested in the Illinois Funds Money Market Fund was \$127. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 21's governmental activities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the Regional Office of Education No. 21's deposits may not be returned to it. The Regional Office of Education No. 21 does not have a formal investment policy to guard against custodial credit risk but follows the Public Funds Investment Act (30 ILCS 235/2 and 6) and Section 8-7 of the School Code.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Regional Office of Education No. 21 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

Credit Risk

The Regional Office of Education No. 21 is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code. The Regional Office of Education No. 21 has no investment policy that would further limit its investment choices. As of June 30, 2021, the Regional Office of Education No. 21 was in compliance with these guidelines.

NOTE 3: DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The Regional Office of Education No. 21's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 21's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer public pension plan. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Contributions

As set by statute, the Regional Office of Education No. 21's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 21's annual contribution rate for calendar year 2020 was 5.41%. For the fiscal year ended June 30, 2021, the Regional Office of Education contributed \$36,862 to the plan. The Regional Office of Education No. 21 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education No. 21 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2020>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 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 retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 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. 21.

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 21.

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 \$3,277.

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. 21, there is a statutory requirement for the Regional Office of Education No. 21 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, the employer contribution rate on salaries paid from federal funds was equal to the State's contribution rate and were much higher.

For the year ended June 30, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, no salaries were paid from federal and special trust funds that required employer contributions.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 21 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

Contributions (continued)

Employer retirement cost contributions (continued)

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the Regional Office of Education No. 21 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave days granted in excess of the normal annual allotment.

NOTE 5: TEACHERS' HEALTH INSURANCE SECURITY FUND

THIS Plan Description

The Regional Office of Education No. 21 participates in the Teachers' Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers' Retirement System (TRS).

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provision of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund. A percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

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

On-behalf Contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of Regional Office of Education No. 21.

Employer Contributions to the THIS Fund

The Regional Office of Education No. 21 makes contributions to the THIS Fund. The Employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2021, June 30, 2020 and 2019. For the year ended June 30, 2021, the Regional Office of Education No. 21 paid \$5,198 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2020 and 2019, the Regional Office of Education No. 21 paid \$5,131 and \$4,619 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."

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE

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

Eligibility Provisions

Full-Time Employees – IMRF

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

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

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

Benefits Provided

The Regional Office of Education No. 21 provides continued health insurance coverage at the blended employer rate to all eligible Regional Office of Education No. 21 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The Regional Office of Education No. 21 offers the G543 PPO Blue PPO Gold 114 Plan as of January 1, 2020 to IMRF retirees. Retirees pay the full cost of coverage. Coverage continues until Medicare eligibility is reached. Dependent coverage ends at the same time as that for the retiree. If the retiree attains age 65 (eligible for Medicare) prior to the spouse, the spouse may continue to elect coverage through the Regional Office of Education No. 21 until the spouse attains age 65.

Funding Policy and Contributions

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

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 7: RISK MANAGEMENT

The Regional Office of Education No. 21 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education No. 21 has purchased commercial insurance to cover these risks. During the year ended June 30, 2021, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past four years.

NOTE 8: ON-BEHALF PAYMENTS

The State of Illinois pays the following salaries and benefits on behalf of the Regional Office of Education No. 21:

Regional Superintendent Salary	\$	122,592
Regional Superintendent Fringe Benefits (Includes State paid insurance)		39,816
Assistant Regional Superintendent Salary		110,328
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)		<u>39,072</u>
TOTAL	\$	<u>311,808</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education.

Franklin County provides the Regional Office of Education No. 21 with staff on behalf of the Regional Office of Education No. 21. The expenditures paid on the Regional Office of Education No. 21's behalf for the year ended June 30, 2021, were as follows:

Salaries	\$	42,439
Benefits		<u>12,928</u>
Total		<u>\$ 55,367</u>

Because the Regional Office prepares their financial statements in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, the on-behalf payments are not reflected in the Regional Office's financial statements.

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 9: LEASE COMMITMENTS

The Regional Office of Education No. 21 is committed under a lease agreement for office space for their Project ECHO and S.T.A.R location at 17428 Route 37 Johnston City, Illinois. An agreement commencing on July 1, 2019 and extending to June 30, 2024 requires monthly lease payments of \$4,000 a month. Lease expense for fiscal year 2021 was \$48,000.

During the year ended June 30, 2020, the Regional Office of Education No. 21 entered into a lease agreement for a copy machine in the Marion office. The lease began June 1, 2020 and ends August 1, 2023. The monthly payments are \$565 creating an annual expense of \$6,780.

Future minimum operating lease payments are as follows:

Year	
Ending	Future Minimum
June 30,	Lease Payments
2022	54,780
2023	54,780
2024	<u>49,130</u>
Total	<u>\$ 158,690</u>

NOTE 10: INTERFUND TRANSFERS

The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, the transfers between the governmental funds and the business-type funds were not eliminated. For the current fiscal year, there were no interfund transfers.

NOTE 11: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

At June 30, 2021, the following funds had deficit fund balances. The Regional Office of Education No. 21 expects these deficits will be covered by payments from the State and intends to reduce expenditures or transfer unrestricted funds to compensate for the deficit fund balances.

Education Funds	
McKinney Education for Homeless Children	\$ 36,347
Substance Abuse Prevention & Treatment	\$ 71,642
ESE	\$ 125
Team Lead	\$ 5,200

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 12: NEW PRONOUNCEMENTS

In 2021, the Regional Office of Education No. 21 implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and applicable sections of GASB No. 93, *Replacement of Interbank Offered Rates*. The implementation of GASB No. 84 changed the definition of fiduciary activity and established new financial reporting requirements for state and local governments. Implementation of GASB No. 84 resulted in a restatement to the Regional Office of Education No. 21’s financial statements. The implementation of GASB No. 93 did not have a significant effect on the Regional Office of Education No. 21’s financial statements. The implementation of GASB Statement No. 90, *Major Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, and GASB Statement No. 93, *Replacement of Interbank Offered Rates* had no significant impact on the Regional Office of Education No. 21’s financial statements.

NOTE 13: CHANGE IN ACCOUNTING BASIS AND RESTATEMENT

On June 25, 2021, the Governor of the State of Illinois signed into law Public Act 102-0025 which amends the School Code to allow for Regional Offices of Education to utilize a cash basis, modified cash basis or generally accepted accounting principles (GAAP) basis of accounting for the annual audits. The management of the Regional Office of Education No. 21 has elected to change the accounting method from GAAP to cash basis for the year ended June 30, 2021. The net position and fund balances have been restated as of June 30, 2020.

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 which report fiduciary activity. Beginning net position was restated to retroactively report the change in net position.

	Governmental Activities	Business-Type Activities	Fiduciary Fund
Net Position at June 30, 2020	\$ (1,513,161)	\$ 82,752	\$ -
Reverse current asset accruals	(219,455)	(2,200)	(2,396,233)
Reverse noncurrent assets	(324,798)	-	-
Reverse deferred outflows of resources	(434,149)	-	-
Reverse current liability accruals	159,299	-	2,400,741
Reverse noncurrent liabilities	770,118	-	-
Reverse deferred inflows of resources	2,468,578	-	-
Net Position restated at June 30, 2020	<u>\$ 906,432</u>	<u>\$ 80,552</u>	<u>\$ 4,508</u>

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 13: CHANGE IN ACCOUNTING BASIS AND RESTATEMENT (Continued)

General Fund Accounts

County Budget	ECHO	General Operating	SFOT Interest Allocation	Interest Allocation	General State Aid Safe Schools	Juvenile Detention Center	Total
Fund balance at June 30, 2020	\$ 584,876	\$ 146,452	\$ 5,273	\$ 236	\$ 41,958	\$ 8,922	\$ 820,127
Reverse current asset accruals	(32,975)	(7,056)	-	-	-	(6,055)	(46,086)
Reverse current liability accruals	49,286	-	-	-	22,667	12,020	83,973
Fund balance restated at June 30, 2020	\$ 601,187	\$ 139,396	\$ 5,273	\$ 236	\$ 64,625	\$ 14,887	\$ 858,014

Education Fund Accounts

McKinney Education for Homeless Children	Substance Abuse Prevention & Treatment	Title II Teacher Quality Leadership	State Free Lunch and Breakfast	Federal Lunch and Breakfast	ROE/ISC Operations	Regional Safe Schools	Truants Alternative/Optional Education	Totals
Fund balance (deficit) at June 30, 2020	\$ (66,450)	\$ -	\$ 2,530	\$ 12,377	\$ 297	\$ -	\$ (31)	\$ (100,777)
Reverse current asset accruals	(71,218)	(9,110)	-	-	-	(8,001)	-	(172,709)
Reverse current liability accruals	66,386	4,136	-	-	-	-	-	70,522
Reverse deferred inflows of resources	66,449	-	-	-	-	-	-	115,761
Fund balance (deficit) restated at June 30, 2020	\$ (4,833)	\$ (4,974)	\$ 2,530	\$ 12,377	\$ 297	\$ (8,001)	\$ (31)	\$ (87,203)

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 13: CHANGE IN ACCOUNTING BASIS AND RESTATEMENT (Continued)

	<u>Institute Fund Accounts</u>		<u>Nonmajor Special Revenue Funds</u>			
	<u>Institute</u>	<u>Technology</u>	<u>Total Institute Funds</u>	<u>Bus Driver Permit</u>	<u>General Education Development</u>	<u>Total Nonmajor Special Revenue Funds</u>
Fund balance at June 30, 2020	\$ 102,473	\$ 9,169	\$ 111,642	\$ 7,879	\$ 16,566	\$ 24,445
Reverse current asset accruals	-	-	-	(660)	-	(660)
Reverse current liability accruals	124	-	124	-	-	-
Reverse deferred inflows of resources	-	-	-	70	-	70
Fund balance restated at June 30, 2020	<u>\$ 102,597</u>	<u>\$ 9,169</u>	<u>\$ 111,766</u>	<u>\$ 7,289</u>	<u>\$ 16,566</u>	<u>\$ 23,855</u>

Custodial Funds

	<u>Franklin County Regional Delivery System</u>				<u>Student Activity</u>	<u>Total</u>
Fund balance at June 30, 2020	\$ -	-	-	-	-	-
Reverse current asset accruals	(2,396,233)	-	-	-	(2,396,233)	-
Reverse current liability accruals	2,396,597	7	4,137	-	2,400,741	-
Fund balance restated at June 30, 2020	<u>\$ 364</u>	<u>\$ 7</u>	<u>\$ 4,137</u>	<u>\$ 4,137</u>	<u>\$ 4,508</u>	<u>\$ 4,508</u>

SUPPLEMENTAL INFORMATION

SCHEDULE 1

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 COMBINING SCHEDULE OF ACCOUNTS- CASH BASIS
 GENERAL FUND ACCOUNTS
 JUNE 30, 2021

County Budget	ECHO	General Operating	SFOT Interest Allocation	Interest Allocation	General State Aid Safe Schools	Juvenile Detention Center	Total
\$ 64,639	\$ 1,108,219	\$ 151,007	\$ 5,927	\$ -	\$ 56,002	\$ 10,010	\$ 1,395,804
\$ 64,639	\$ 1,108,219	\$ 151,007	\$ 5,927	\$ -	\$ 56,002	\$ 10,010	\$ 1,395,804
\$ 64,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,639
-	1,108,219	151,007	5,927	-	56,002	10,010	1,331,165
\$ 64,639	\$ 1,108,219	\$ 151,007	\$ 5,927	\$ -	\$ 56,002	\$ 10,010	\$ 1,395,804

ASSETS

Cash and cash equivalents

TOTAL ASSETS

FUND BALANCES

Assigned

Unassigned

TOTAL FUND BALANCES

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- CASH BASIS
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	County Budget	ECHO	General Operating	SFOT Interest Allocation	Interest Allocation	General State Aid Safe Schools	Juvenile Detention Center	Eliminations	Total
REVENUES									
Local sources	\$ 231,046	\$ 419,489	\$ 35,167	\$ 1,130	\$ -	\$ 58,379	\$ 135,585	\$ -	\$ 880,796
State sources	-	550,077	15,984	-	-	157,328	-	-	723,389
Interest	251	4,837	728	-	-	535	-	-	6,351
Total revenues	231,297	974,403	51,879	1,130	-	216,242	135,585	-	1,610,536
EXPENDITURES									
Instructional services:									
Salaries and Benefits	154,534	370,485	-	-	-	163,796	134,669	-	823,484
Pension expense	-	4,174	-	-	-	4,121	1,104	-	9,399
OPEB expense	-	2,462	-	-	-	535	941	-	3,938
Purchased services	24,323	68,191	39,441	712	-	37,481	2,686	-	172,834
Supplies and materials	14,645	15,382	827	-	-	15,210	1,062	-	47,126
Intergovernmental:									
Payments to other governmental units	4,997	-	-	-	-	-	-	-	4,997
Capital outlay	569	6,677	-	-	-	3,722	-	-	10,968
Total expenditures	199,068	467,371	40,268	712	-	224,865	140,462	-	1,072,746
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	32,229	507,032	11,611	418	-	(8,623)	(4,877)	-	537,790
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	236	-	-	-	(236)	-
Transfers out	-	-	-	-	(236)	-	-	236	-
Total other financing sources (uses)	-	-	-	236	(236)	-	-	-	-
NET CHANGE IN FUND BALANCES	32,229	507,032	11,611	654	(236)	(8,623)	(4,877)	-	537,790
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, restated (see note 13)	32,410	601,187	139,396	5,273	236	64,625	14,887	-	858,014
FUND BALANCES, END OF YEAR	\$ 64,639	\$ 1,108,219	\$ 151,007	\$ 5,927	\$ -	\$ 56,002	\$ 10,010	\$ -	\$ 1,395,804

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 COMBINING SCHEDULE OF ACCOUNTS - CASH BASIS
 EDUCATION FUND
 JUNE 30, 2021

	McKinney Education for Homeless Children	Substance Abuse Prevention & Treatment	RSSCEP	Title II Teacher Quality Leadership	State Free Lunch and Breakfast	Federal Lunch and Breakfast	ROE/ISC Operations	Regional Safe Schools
ASSETS								
Cash and cash equivalents	\$ (36,347)	\$ (71,642)	\$ -	\$ -	\$ 2,970	\$ 2,795	\$ -	\$ -
TOTAL ASSETS	\$ (36,347)	\$ (71,642)	\$ -	\$ -	\$ 2,970	\$ 2,795	\$ -	\$ -
FUND BALANCES (DEFICITS)								
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 2,970	\$ 2,795	\$ -	\$ -
Unassigned	(36,347)	(71,642)	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	\$ (36,347)	\$ (71,642)	\$ -	\$ -	\$ 2,970	\$ 2,795	\$ -	\$ -

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 COMBINING SCHEDULE OF ACCOUNTS - CASH BASIS
 EDUCATION FUND
 JUNE 30, 2021

	Truants Alternative/ Optional Education	ESSER Grant	Digital Equity	Digital Professional Learning	ESE	Team Lead	Grow Your Own	Totals
ASSETS								
Cash and cash equivalents	\$ 10,219	\$ -	\$ -	\$ -	\$ (125)	\$ (5,200)	\$ 2,731	\$ (94,599)
TOTAL ASSETS	<u>\$ 10,219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (125)</u>	<u>\$ (5,200)</u>	<u>\$ 2,731</u>	<u>\$ (94,599)</u>
FUND BALANCES (DEFICITS)								
Restricted	\$ 10,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,731	\$ 18,715
Unassigned	-	-	-	-	(125)	(5,200)	-	(113,314)
TOTAL FUND BALANCES (DEFICITS)	<u>\$ 10,219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (125)</u>	<u>\$ (5,200)</u>	<u>\$ 2,731</u>	<u>\$ (94,599)</u>

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CASH BASIS
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	McKinney Education for Homeless Children	Substance Abuse Prevention & Treatment	RSSCEP	Title II Teacher Quality Leadership	State Free Lunch and Breakfast	Federal Lunch and Breakfast	ROE/ISC Operations	Regional Safe Schools
REVENUES								
State sources	\$ -	\$ 37,999	\$ 9,110	\$ -	\$ 440	\$ -	\$ 126,110	\$ 90,208
Federal sources	535,281	190,651	-	982	-	43,543	-	-
Total revenues	<u>535,281</u>	<u>228,650</u>	<u>9,110</u>	<u>982</u>	<u>440</u>	<u>43,543</u>	<u>126,110</u>	<u>90,208</u>
EXPENDITURES								
Instructional services:								
Salaries and benefits	106,277	128,371	4,121	-	-	28,599	88,264	73,114
Pension expense	3,551	6,162	-	-	-	279	4,267	7,554
OPEB expense	-	-	-	-	-	-	-	772
Purchased services	24,874	67,943	-	982	-	1,177	25,347	767
Supplies and materials	14,661	13,248	15	-	-	23,070	5,351	-
Intergovernmental:								
Payments to other governmental units	416,620	-	-	-	-	-	-	-
Capital outlay	812	-	-	-	-	-	3,178	-
Total expenditures	<u>566,795</u>	<u>215,724</u>	<u>4,136</u>	<u>982</u>	<u>-</u>	<u>53,125</u>	<u>126,407</u>	<u>82,207</u>
NET CHANGE IN FUND BALANCES	(31,514)	12,926	4,974	-	440	(9,582)	(297)	8,001
FUND BALANCES (DEFICIT), BEGINNING OF YEAR, restated (see note 13)	<u>(4,833)</u>	<u>(84,568)</u>	<u>(4,974)</u>	<u>-</u>	<u>2,530</u>	<u>12,377</u>	<u>297</u>	<u>(8,001)</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (36,347)</u>	<u>\$ (71,642)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,970</u>	<u>\$ 2,795</u>	<u>\$ -</u>	<u>\$ -</u>

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CASH BASIS
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	Truants Alternative/ Optional Education	ESSER Grant	Digital Equity	Digital Professional Learning	ESE	Team Lead	Grow Your Own	Total
REVENUES								
State sources	\$ 191,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,600	\$ 475,025
Federal sources	-	1,866	64,426	5,240	1,093	4,151	-	847,233
Total revenues	191,558	1,866	64,426	5,240	1,093	4,151	19,600	1,322,258
EXPENDITURES								
Instructional services:								
Salaries and benefits	148,428	-	-	3,712	-	-	-	580,886
Pension expense	8,742	-	-	185	-	-	-	30,740
OPEB expense	486	-	-	-	-	-	-	1,258
Purchased services	15,786	-	7,392	1,343	318	8,450	8,029	162,408
Supplies and materials	6,045	1,866	2,395	-	900	901	840	69,292
Intergovernmental:								
Payments to other governmental units	-	-	-	-	-	-	-	416,620
Capital outlay	1,821	-	54,639	-	-	-	8,000	68,450
Total expenditures	181,308	1,866	64,426	5,240	1,218	9,351	16,869	1,329,654
NET CHANGE IN FUND BALANCES	10,250	-	-	-	(125)	(5,200)	2,731	(7,396)
FUND BALANCES (DEFICIT),								
BEGINNING OF YEAR, restated (see note 13)	(31)	-	-	-	-	-	-	(87,203)
FUND BALANCES (DEFICIT), END OF YEAR	\$ 10,219	\$ -	\$ -	\$ -	\$ (125)	\$ (5,200)	\$ 2,731	\$ (94,599)

SCHEDULE 5

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
EDUCATION FUND ACCOUNTS
MCKINNEY EDUCATION FOR HOMELESS CHILDREN
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 434,345	\$ 693,190	\$ 535,281
Total revenues	434,345	693,190	535,281
EXPENDITURES			
Instructional services:			
Salaries and benefits	110,987	136,799	106,277
Pension expense	-	-	3,551
Purchased services	42,036	42,357	24,874
Supplies and materials	18,500	25,500	14,661
Intergovernmental:			
Payments to other governments	262,822	480,848	416,620
Capital outlay	-	7,686	812
Total expenditures	434,345	693,190	566,795
Net change in fund balance	\$ -	\$ -	(31,514)
FUND BALANCE (DEFICIT) - BEGINNING (restated)			(4,833)
FUND BALANCE (DEFICIT) - ENDING			\$ (36,347)

SCHEDULE 6

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
EDUCATION FUND ACCOUNTS
SUBSTANCE ABUSE PREVENTION AND TREATMENT
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 36,890	\$ 36,890	\$ 37,999
Federal sources	174,773	178,635	190,651
Total revenues	211,663	215,525	228,650
 EXPENDITURES			
Instructional services:			
Salaries and benefits	127,231	135,902	128,371
Pension expense	-	-	6,162
Purchased services	75,314	70,505	67,943
Supplies and materials	9,118	9,118	13,248
Total expenditures	211,663	215,525	215,724
Net change in fund balance	\$ -	\$ -	12,926
FUND BALANCE (DEFICIT) - BEGINNING (restated)			(84,568)
FUND BALANCE (DEFICIT) - ENDING			(71,642)

SCHEDULE 7

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOL COOPERATIVE EDUCATION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 40,310	\$ 40,310	\$ 9,110
Total revenues	40,310	40,310	9,110
 EXPENDITURES			
Instructional services:			
Salaries and benefits	39,546	36,721	4,121
Purchased services	764	1,612	-
Supplies and materials	-	1,977	15
Total expenditures	40,310	40,310	4,136
Net change in fund balance	\$ -	\$ -	4,974
FUND BALANCE - BEGINNING (restated)			(4,974)
FUND BALANCE - ENDING			\$ -

SCHEDULE 8

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY LEADERSHIP
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 982	\$ 982	\$ 982
Total revenues	982	982	982
 EXPENDITURES			
Instructional services:			
Purchased services	982	982	982
Total expenditures	982	982	982
Net change in fund balance	\$ -	\$ -	-
FUND BALANCE - BEGINNING			-
FUND BALANCE - ENDING			\$ -

SCHEDULE 9

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 126,110	\$ 126,110	\$ 126,110
Total revenues	126,110	126,110	126,110
EXPENDITURES			
Instructional services:			
Salaries and benefits	96,303	91,303	88,264
Pension expense	-	-	4,267
Purchased services	25,482	24,982	25,347
Supplies and materials	3,500	6,000	5,351
Capital outlay	825	3,825	3,178
Total expenditures	126,110	126,110	126,407
Net change in fund balance	\$ -	\$ -	(297)
FUND BALANCE - BEGINNING			297
FUND BALANCE - ENDING			\$ -

SCHEDULE 10

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 82,208	\$ 82,208	\$ 90,208
Total revenues	82,208	82,208	90,208
 EXPENDITURES			
Instructional services:			
Salaries and benefits	80,831	80,831	73,114
Pension expense	-	-	7,554
OPEB expense	-	-	772
Purchased services	1,279	1,279	767
Supplies and materials	98	98	-
Total expenditures	82,208	82,208	82,207
Net change in fund balance	\$ -	\$ -	8,001
FUND BALANCE - BEGINNING (restated)			(8,001)
FUND BALANCE - ENDING			\$ -

SCHEDULE 11

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
State sources	\$ 191,558	\$ 191,558	\$ 191,558
Total revenues	191,558	191,558	191,558
 EXPENDITURES			
Instructional services:			
Salaries and benefits	169,401	168,270	148,428
Pension expense	-	-	8,742
OPEB expense	-	-	486
Purchased services	20,907	16,464	15,786
Supplies and materials	1,250	5,994	6,045
Capital Outlay	-	830	1,821
Total expenditures	191,558	191,558	181,308
Net change in fund balance	\$ -	\$ -	10,250
FUND BALANCE (DEFICIT)- BEGINNING			(31)
FUND BALANCE - ENDING			\$ 10,219

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
EDUCATION FUND ACCOUNTS
OTHER FEDERAL PROGRAMS (DIGITAL EQUITY)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 64,426	\$ 64,426	\$ 64,426
Total revenues	<u>64,426</u>	<u>64,426</u>	<u>64,426</u>
EXPENDITURES			
Instructional services:			
Purchased services	6,400	6,400	7,392
Supplies and materials	8,076	8,076	2,395
Capital Outlay	<u>49,950</u>	<u>49,950</u>	<u>54,639</u>
Total expenditures	<u>64,426</u>	<u>64,426</u>	<u>64,426</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	-
FUND BALANCE - BEGINNING			<u>-</u>
FUND BALANCE - ENDING			<u><u>\$ -</u></u>

SCHEDULE 13

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
EDUCATION FUND ACCOUNTS
OTHER FEDERAL PROGRAMS (DIGITAL PROFESSIONAL LEARNING)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Federal sources	\$ 5,240	\$ 5,240	\$ 5,240
Total revenues	5,240	5,240	5,240
 EXPENDITURES			
Instructional services:			
Salaries and benefits	3,076	3,076	3,712
Pension expense	-	-	185
Purchased services	2,164	2,164	1,343
Total expenditures	5,240	5,240	5,240
Net change in fund balance	\$ -	\$ -	-
 FUND BALANCE - BEGINNING			-
 FUND BALANCE - ENDING			\$ -

SCHEDULE 14

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
EDUCATION FUND ACCOUNTS
OTHER FEDERAL PROGRAMS (ESSER)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Federal sources	\$ 1,866	\$ 1,866	\$ 1,866
Total revenues	1,866	1,866	1,866
 EXPENDITURES			
Instructional services:			
Supplies and materials	1,866	1,866	1,866
Total expenditures	1,866	1,866	1,866
Net change in fund balance	\$ -	\$ -	-
 FUND BALANCE - BEGINNING			-
 FUND BALANCE - ENDING			\$ -

SCHEDULE 15

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
EDUCATION FUND ACCOUNTS
ELEVATING SPECIAL EDUCATORS (ESE)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Federal sources	\$ 72,017	\$ 72,017	\$ 1,093
Total revenues	72,017	72,017	1,093
 EXPENDITURES			
Instructional services:			
Salaries and benefits	56,556	56,556	-
Purchased services	5,561	5,561	318
Supplies and materials	9,900	9,900	900
Total expenditures	72,017	72,017	1,218
Net change in fund balance	\$ -	\$ -	(125)
FUND BALANCE - BEGINNING			-
FUND BALANCE (DEFICIT) - ENDING			\$ (125)

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 COMBINING BALANCE SHEET- CASH BASIS
 INSTITUTE FUND ACCOUNTS
 JUNE 30, 2021**

	<u>Institute</u>	<u>Technology</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	<u>\$ 110,152</u>	<u>\$ 18,430</u>	<u>\$ 128,582</u>
TOTAL ASSETS	<u><u>\$ 110,152</u></u>	<u><u>\$ 18,430</u></u>	<u><u>\$ 128,582</u></u>
FUND BALANCES			
Restricted	<u>\$ 110,152</u>	<u>\$ 18,430</u>	<u>\$ 128,582</u>
TOTAL FUND BALANCES	<u><u>\$ 110,152</u></u>	<u><u>\$ 18,430</u></u>	<u><u>\$ 128,582</u></u>

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES- CASH BASIS
INSTITUTE FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Institute</u>	<u>Technology</u>	<u>Total</u>
REVENUES			
Local Sources	\$ 30,282	\$ 24,300	\$ 54,582
Interest	566	95	661
Total revenues	<u>30,848</u>	<u>24,395</u>	<u>55,243</u>
EXPENDITURES			
Instructional services:			
Purchased services	14,469	7,733	22,202
Supplies and materials	8,824	3,672	12,496
Capital outlay	-	3,729	3,729
Total expenditures	<u>23,293</u>	<u>15,134</u>	<u>38,427</u>
Net change in fund balances	7,555	9,261	16,816
FUND BALANCES, BEGINNING OF YEAR, restated (see note 13)	<u>102,597</u>	<u>9,169</u>	<u>111,766</u>
FUND BALANCES, END OF YEAR	<u>\$ 110,152</u>	<u>\$ 18,430</u>	<u>\$ 128,582</u>

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 21
 COMBINING BALANCE SHEET- CASH BASIS
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021**

	Bus Driver Permit	General Education Development	Total
ASSETS			
Cash and cash equivalents	\$ 8,427	\$ 19,016	\$ 27,443
TOTAL ASSETS	\$ 8,427	\$ 19,016	\$ 27,443
 FUND BALANCES			
Restricted	\$ 8,427	\$ 19,016	\$ 27,443
TOTAL FUND BALANCES	\$ 8,427	\$ 19,016	\$ 27,443

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES- CASH BASIS
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Bus Driver Permit	General Education Development	Total
REVENUES			
Local Sources	\$ 4,750	\$ 2,992	\$ 7,742
State Sources	1,458	-	1,458
Interest	51	98	149
Total revenues	<u>6,259</u>	<u>3,090</u>	<u>9,349</u>
EXPENDITURES			
Instructional Services:			
Salaries and Benefits	2,853	-	2,853
Pension Expense	-	-	-
Purchased services	2,268	60	2,328
Supplies and materials	-	580	580
Capital Outlay	-	-	-
Total expenditures	<u>5,121</u>	<u>640</u>	<u>5,761</u>
NET CHANGE IN FUND BALANCES	1,138	2,450	3,588
FUND BALANCES, BEGINNING OF YEAR, restated (see note 13)	<u>7,289</u>	<u>16,566</u>	<u>23,855</u>
FUND BALANCES, END OF YEAR	<u>\$ 8,427</u>	<u>\$ 19,016</u>	<u>\$ 27,443</u>

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
COMBINING STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
CUSTODIAL FUNDS
JUNE 30, 2021**

	<u>School Facility Occupation Tax</u>	<u>Franklin County Regional Delivery System</u>	<u>Student Activity</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 1,534	\$ -	\$ 6,079	\$ 7,613
TOTAL ASSETS	<u>\$ 1,534</u>	<u>\$ -</u>	<u>\$ 6,079</u>	<u>\$ 7,613</u>
NET POSITION				
Restricted for other purposes	\$ 1,534	\$ -	\$ 6,079	\$ 7,613
TOTAL NET POSITION	<u>\$ 1,534</u>	<u>\$ -</u>	<u>\$ 6,079</u>	<u>\$ 7,613</u>

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	School Facility Occupation Tax	Franklin County Regional Delivery System	Student Activity	Total
ADDITIONS				
Contributions	\$ -	\$ -	\$ 3,281	\$ 3,281
Sales tax collections for other governments	9,944,459	-	-	9,944,459
Total additions	<u>9,944,459</u>	<u>-</u>	<u>3,281</u>	<u>9,947,740</u>
DEDUCTIONS				
Benefit payments	-	7	1,339	1,346
Payments of sales tax to other governments	9,943,289	-	-	9,943,289
Total deductions	<u>9,943,289</u>	<u>7</u>	<u>1,339</u>	<u>9,944,635</u>
Change in Fiduciary Net Position	1,170	(7)	1,942	3,105
NET POSITION, BEGINNING OF YEAR, restated (see note 13)	<u>364</u>	<u>7</u>	<u>4,137</u>	<u>4,508</u>
NET POSITION, END OF YEAR	<u>\$ 1,534</u>	<u>\$ -</u>	<u>\$ 6,079</u>	<u>\$ 7,613</u>

SCHEDULE 22

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
SCHEDULE OF CASH DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	School Facility Occupation Tax
AKIN CCSD #91	\$ 42,014
BENTON CCSD #47	494,963
BENTON CHSD #103	251,891
CARBONDALE CHSD #165	3,332
CARRIER MILLS-STONEFORT#2	18,218
CARTERVILLE CUSD #5	1,649,004
CHRISTOPHER CUSD #99	336,489
CRAB ORCHARD CUSD #3	364,470
EWING NORTHERN CCSD #115	87,172
FRANKFORT CUSD #168	699,668
GALATIA CUSD #1	8,738
GIANT CITY CCSD #130	21,086
GOREVILLE CUSD #1	344
HAMILTON CO UNIT NO 10	3,613
HERRIN CUSD #4	1,742,843
JOHNSTON CITY CUSD #1	785,368
MARION CUSD #2	2,811,733
NEW SIMPSON HILL SD #32	1,071
SESSER VALIER CUSD #196	259,629
THOMPSONVILLE CUSD #174	124,118
VIENNA HSD #13-3	727
ZEIGLER ROYALTON CUSD 188	236,798
	\$ 9,943,289

**FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
<i>Passed through Illinois State Board of Education</i>				
Supporting Effective Instruction State Grants				
Title II - Teacher Quality - Leadership Grant	84.367A	2021-4935-02	\$ -	\$ 982
Special Education - State Personnel Development				
Elevating Special Educator Grants	84.323A	2021-4631-00	-	1,093
COVID-19 Elementary and Secondary School Emergency Relief Fund				
COVID-19 - Elementary & Secondary School Emergency Relief Grant	84.425D	2020-4998-ER	-	1,866
COVID-19 - Elementary & Secondary School Relief - Digital Equity	84.425D	2021-4998-DE	-	64,426
COVID-19 - Elementary & Secondary School Relief - Digital Professional Learning	84.425D	2021-4998-PL	-	5,240
			-	71,532
Education of Homeless Children and Youth				
McKinney Education for Homeless Children	(M) 84.196A	2020-4920-RF	97,538	126,844
McKinney Education for Homeless Children	(M) 84.196A	2021-4920-00	272,229	439,951
			369,767	566,795
<i>Passed through Illinois State University</i>				
Supporting Effective Educator Development Program				
Together Everyone Achieves More Through Integrated Leadership	84.423A	A18-0059-S013	-	4,151
TOTAL U.S. DEPARTMENT OF EDUCATION			369,767	644,553
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed through Illinois State Board of Education</i>				
Child Nutrition Cluster				
National School Lunch Program	10.555	2020-4210-00	-	13,888
School Breakfast Program	10.553	2020-4220-00	-	1,742
Summer Food Service Program for Children	10.559	2021-4225-00	-	37,495
Total Child Nutrition Cluster			-	53,125
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	53,125
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through Illinois Department of Human Services</i>				
Block Grants for Prevention and Treatment of Substance Abuse				
Substance Use Prevention	93.959	43CZZ03231		160,050
Opioid STR				
Substance Use Prevention	93.788	43CZZ03231	-	18,585
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			-	178,635
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 369,767	\$ 876,313

(M) Program was audited as a major program.

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

FRANKLIN, JOHNSON, MASSAC, AND WILLIAMSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 21
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Regional Office of Education No. 21 under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Professional Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the Regional Office of Education No. 21, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Regional Office of Education No. 21.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the cash basis of accounting which is a basis of accounting other than U.S. generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Regional Office of Education No. 21 has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – NONCASH ASSISTANCE

This is not applicable as no federal awards were expended in the form of noncash assistance.

NOTE 4 – LOANS/LOAN GUARANTEES/INTEREST SUBSIDIES

This is not applicable as the entity did not have any loans/loan guarantees/interest subsidies outstanding at year-end.