

**STATE OF ILLINOIS
BOND, CHRISTIAN, EFFINGHAM,
FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**FINANCIAL AUDIT
For the year ended June 30, 2021**

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

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**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

OFFICIALS

Regional Superintendent (Current and during the audit period) Ms. Julie Wollerman

Assistant Regional Superintendent (Current and during the audit period) Ms. Annette Hartlieb

Offices are located at:

207 N. 2nd Street
Greenville, IL 62246
(This location closed subsequent to June 30, 2021.)

101 South Main Street
Taylorville, IL 62568
(This location moved to the following
address subsequent to June 30, 2021:
210 South Webster
Taylorville, IL 62568)

101 N. 4th Street, Room 204
Effingham, IL 62401

1500 W. Jefferson Street
Vandalia, IL 62471

203 South Main Street
Hillsboro, IL 62049

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3

FINANCIAL REPORT SUMMARY

For the Year Ended June 30, 2021

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

AUDITORS' REPORT

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

SUMMARY OF AUDIT FINDINGS

Number of	This Audit	Prior Audit
Audit findings	0	1
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	1	3

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

SUMMARY OF FINDINGS AND RESPONSES

Item No.	Page	Description	Finding Type
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
None			
<i>PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)</i>			
2020-001	11	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency

EXIT CONFERENCE

No formal exit conference was held with the management of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3.

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2021

The audit of the accompanying basic financial statements of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3 was performed by Doehring, Winders & Co. LLP.

Based on their audit, the auditors expressed an unmodified opinion on the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's basic financial statements.

DOEHRING, WINDERS & CO. LLP
Certified Public Accountants
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61988

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund - Schedule of Changes in the Net Pension Liability and Related Ratios, Illinois Municipal Retirement Fund - Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois - Schedule of the Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of the State of Illinois - Schedule of Employer Contributions, Teachers' Health Insurance Security Fund - Schedule of Employer Contributions, and Teachers' Health Insurance Security Fund - Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability on pages 66-73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021, on our consideration of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3'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 Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
December 6, 2021

DOEHRING, WINDERS & Co. LLP
Certified Public Accountants
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's basic financial statements, and have issued our report thereon dated December 6, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3'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 Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's internal control. Accordingly, we do not express an opinion on the effectiveness of Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3'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 Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3'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 Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3'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 Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
December 6, 2021

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements in accordance with GAAP

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2021

Section II - Financial Statement Findings

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

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED

For the Year Ended June 30, 2021

2020-001	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Not repeated
	During the current audit year, the ROE documented their review of the Service Organization Controls (SOC) reports from the service provider and documented the Complementary User Entity Controls (CUECs) relevant to the Regional Office's operations.	

BASIC FINANCIAL STATEMENTS

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**STATEMENT OF NET POSITION
June 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,848,607	\$ 516,319	\$ 2,364,926
Accounts receivable	40	700	740
Internal balances	(41,330)	41,330	-
Due from other governments	148,984	1,275	150,259
Total current assets	1,956,301	559,624	2,515,925
Noncurrent assets:			
Capital assets, net	82,496	13,589	96,085
Net pension asset	278,448	-	278,448
Total noncurrent assets	360,944	13,589	374,533
Total assets	2,317,245	573,213	2,890,458
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	238,672	-	238,672
Deferred outflows related to pensions	386,594	-	386,594
Total deferred outflows of resources	625,266	-	625,266
LIABILITIES			
Current liabilities:			
Salary and benefits payable	88,091	2,162	90,253
Due to other governments	90,619	-	90,619
Total current liabilities	178,710	2,162	180,872
Noncurrent liabilities:			
OPEB liability	882,824	-	882,824
Net pension liability	85,690	-	85,690
Total noncurrent liabilities	968,514	-	968,514
Total liabilities	1,147,224	2,162	1,149,386

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**STATEMENT OF NET POSITION
June 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	245,849	-	245,849
Deferred inflows related to pensions	986,127	-	986,127
Total deferred inflows of resources	<u>1,231,976</u>	<u>-</u>	<u>1,231,976</u>
NET POSITION			
Net investment in capital assets	82,496	13,589	96,085
Restricted for educational purposes	618,212	-	618,212
Unrestricted	(137,397)	557,462	420,065
Total net position	<u>\$ 563,311</u>	<u>\$ 571,051</u>	<u>\$ 1,134,362</u>

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**STATEMENT OF ACTIVITIES
For the year ended June 30, 2021**

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 1,896,244	\$ -	\$ 1,807,118	\$ (89,126)	\$ -	\$ (89,126)
Purchased services	461,434	-	426,690	(34,744)	-	(34,744)
Supplies and materials	187,055	-	199,012	11,957	-	11,957
Capital outlay	47,124	-	74,372	27,248	-	27,248
OPEB expense	49,918	-	9,233	(40,685)	-	(40,685)
Pension expense	5,171	-	104,128	98,957	-	98,957
Depreciation	32,763	-	-	(32,763)	-	(32,763)
Intergovernmental:						
Payments to other governmental units	303,441	-	325,841	22,400	-	22,400
Administrative:						
On-behalf payments	<u>1,084,514</u>	<u>-</u>	<u>-</u>	<u>(1,084,514)</u>	<u>-</u>	<u>(1,084,514)</u>
Total governmental activities	<u>4,067,664</u>	<u>-</u>	<u>2,946,394</u>	<u>(1,121,270)</u>	<u>-</u>	<u>(1,121,270)</u>
Business-type activities						
Fees for services	<u>119,946</u>	<u>184,384</u>	<u>-</u>	<u>-</u>	<u>64,438</u>	<u>64,438</u>
Total business-type activities	<u>119,946</u>	<u>184,384</u>	<u>-</u>	<u>-</u>	<u>64,438</u>	<u>64,438</u>
Total primary government	<u>\$ 4,187,610</u>	<u>\$ 184,384</u>	<u>\$ 2,946,394</u>	<u>(1,121,270)</u>	<u>64,438</u>	<u>(1,056,832)</u>
General revenues:						
Local sources				363,337	-	363,337
On-behalf payments				1,084,514	-	1,084,514
Interest				<u>3,737</u>	<u>-</u>	<u>3,737</u>
Total general revenues				<u>1,451,588</u>	<u>-</u>	<u>1,451,588</u>
Change in net position				330,318	64,438	394,756
Net position - beginning of year				<u>232,993</u>	<u>506,613</u>	<u>739,606</u>
Net position - end of year				<u>\$ 563,311</u>	<u>\$ 571,051</u>	<u>\$ 1,134,362</u>

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute</u>
ASSETS			
Cash and cash equivalents	\$ 1,471,737	\$ 93,316	\$ 195,933
Accounts receivable	-	-	-
Due from other funds	14,071	-	-
Due from other governments	500	148,349	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,486,308</u>	<u>\$ 241,665</u>	<u>\$ 195,933</u>
LIABILITIES			
Salary and benefits payable	\$ 48,481	\$ 39,610	\$ -
Due to other funds	-	55,401	-
Due to other governments	-	90,619	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>48,481</u>	<u>185,630</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	500	9,314	-
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES			
Restricted	-	56,035	195,933
Assigned	1,274,861	-	-
Unassigned	162,466	(9,314)	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,437,327</u>	<u>46,721</u>	<u>195,933</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,486,308</u>	<u>\$ 241,665</u>	<u>\$ 195,933</u>

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021**

	Other Nonmajor Funds	Eliminations	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 87,621	\$ -	\$ 1,848,607
Accounts receivable	40	-	40
Due from other funds	-	(14,071)	-
Due from other governments	135	-	148,984
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 87,796</u>	<u>\$ (14,071)</u>	<u>\$ 1,997,631</u>
LIABILITIES			
Salary and benefits payable	\$ -	\$ -	\$ 88,091
Due to other funds	-	(14,071)	41,330
Due to other governments	-	-	90,619
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>(14,071)</u>	<u>220,040</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>9,814</u>
FUND BALANCES			
Restricted	87,796	-	339,764
Assigned	-	-	1,274,861
Unassigned	<u>-</u>	<u>-</u>	<u>153,152</u>
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>87,796</u>	<u>-</u>	<u>1,767,777</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 87,796</u>	<u>\$ (14,071)</u>	<u>\$ 1,997,631</u>

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

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

June 30, 2021

Total fund balances - governmental funds		\$1,767,777
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		82,496
Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.		9,814
Pension & OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
OPEB deferred outflows of resources	\$ 238,672	
OPEB deferred inflows of resources	(245,849)	
IMRF deferred outflows of resources	260,985	
IMRF deferred inflows of resources	(649,109)	
TRS deferred outflows of resources	125,609	
TRS deferred inflows of resources	<u>(337,018)</u>	(606,710)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
OPEB liability	\$ (882,824)	
IMRF net pension asset	278,448	
TRS net pension liability	<u>(85,690)</u>	<u>(690,066)</u>
Net position of governmental activities		<u><u>\$ 563,311</u></u>

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2021**

	General Fund	Education Fund	Institute
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Local sources	\$ 296,108	\$ 17,357	\$ 38,960
Local sources-on-behalf payments	30,423	-	-
State sources	988,095	1,299,637	-
State sources-on-behalf payments	305,956	-	-
Federal sources	-	647,842	-
Interest	3,737	-	-
	<u>1,624,319</u>	<u>1,964,836</u>	<u>38,960</u>
Expenditures:			
Instructional services:			
Salaries and benefits	843,582	1,052,662	-
Purchased services	133,938	312,582	6,572
Supplies and materials	32,201	154,854	-
Pension expense	51,590	69,860	-
OPEB expense	5,661	2,937	-
On-behalf payments	336,379	-	-
Intergovernmental:			
Payments to other governmental units	-	303,441	-
Capital outlay	766	74,372	-
	<u>1,404,117</u>	<u>1,970,708</u>	<u>6,572</u>
Net change in fund balances	220,202	(5,872)	32,388
Fund balances, beginning of year	<u>1,217,125</u>	<u>52,593</u>	<u>163,545</u>
Fund balances, end of year	<u><u>\$ 1,437,327</u></u>	<u><u>\$ 46,721</u></u>	<u><u>\$ 195,933</u></u>

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2021**

	Other Nonmajor Funds	Total Governmental Funds
	<u> </u>	<u> </u>
Revenues:		
Local sources	\$ 10,412	\$ 362,837
Local sources-on-behalf payments	-	30,423
State sources	1,506	2,289,238
State sources-on-behalf payments	-	305,956
Federal sources	-	647,842
Interest	-	3,737
	<u> </u>	<u> </u>
Total revenues	11,918	3,640,033
	<u> </u>	<u> </u>
Expenditures:		
Instructional services:		
Salaries and benefits	-	1,896,244
Purchased services	8,342	461,434
Supplies and materials	-	187,055
Pension expense	-	121,450
OPEB expense	-	8,598
On-behalf payments	-	336,379
Intergovernmental:		
Payments to other governmental units	-	303,441
Capital outlay	-	75,138
	<u> </u>	<u> </u>
Total expenditures	8,342	3,389,739
	<u> </u>	<u> </u>
Net change in fund balances	3,576	250,294
	<u> </u>	<u> </u>
Fund balances, beginning of year	84,220	1,517,483
	<u> </u>	<u> </u>
Fund balances, end of year	\$ 87,796	\$ 1,767,777
	<u> </u>	<u> </u>

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

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

For the year ended June 30, 2021

Net change in fund balances \$ 250,294

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

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

Current year unavailable revenue	\$ 9,814	
Prior year unavailable revenue	-	9,814

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

Net OPEB expense	\$ (41,320)	
Net pension expense	116,279	74,959

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

Capital outlay	\$ 28,014	
Depreciation expense	(32,763)	(4,749)

Change in net position of governmental activities \$ 330,318

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2021**

	Business-Type Activities
	Enterprise Fund Workshops
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 516,319
Accounts receivable	700
Due from other funds	41,330
Due from other governments	1,275
Total current assets	559,624
Noncurrent assets:	
Capital assets, net	13,589
Total assets	573,213
LIABILITIES	
Current liabilities:	
Salary and benefits payable	2,162
Total liabilities	2,162
NET POSITION	
Net investment in capital assets	13,589
Unrestricted	557,462
Total net position	\$ 571,051

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

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

For the year ended June 30, 2021

	Business-Type Activities
	<u>Enterprise Fund Workshops</u>
Operating revenues:	
Charges for services	\$ 184,384
Total operating revenues	<u>184,384</u>
Operating expenses:	
Salaries and benefits	69,768
Purchased services	38,339
Supplies and materials	7,899
Other objects	740
Depreciation	<u>3,200</u>
Total operating expenses	<u>119,946</u>
Operating income	64,438
Net position - beginning of year	<u>506,613</u>
Net position - end of year	<u><u>\$ 571,051</u></u>

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the year ended June 30, 2021**

	Business-Type Activities
	Enterprise Fund Workshops
Cash flows from operating activities:	
Collection of fees	\$ 182,644
Payments to employees	(67,606)
Payments to suppliers and providers of goods and services	(46,978)
Net cash provided by operating activities	68,060
Cash flows for noncapital financing activities:	
Payments for interfund borrowing, net	(16,803)
Net cash used for noncapital financing activities	(16,803)
Net increase in cash and cash equivalents	51,257
Net cash and cash equivalents - beginning	465,062
Net cash and cash equivalents - ending	\$ 516,319
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 64,438
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,200
Change in assets and liabilities:	
Increase in accounts receivable	(700)
Increase in due from other governments	(1,040)
Increase in salary and benefits payable	2,162
Net cash provided by operating activities	\$ 68,060

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2021**

	<u>Custodial Funds</u>
ASSETS	
Due from other governments	<u>\$ 2,487,601</u>
Total assets	<u>2,487,601</u>
LIABILITIES	
Due to other governments	<u>2,487,601</u>
Total liabilities	<u>2,487,601</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>-</u>
Total net position	<u><u>\$ -</u></u>

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the year ended June 30, 2021**

	<u>Custodial Funds</u>
ADDITIONS	
County facility tax collected for other governments	<u>\$ 8,495,795</u>
Total additions	<u>8,495,795</u>
DEDUCTIONS	
County facility tax distributed to other governments	<u>8,495,795</u>
Total deductions	<u>8,495,795</u>
Net increase in fiduciary net position	-
Net position - beginning of year	<u>-</u>
Net position - end of year	<u><u>\$ -</u></u>

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

NOTES TO FINANCIAL STATEMENTS

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education No. 3 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

This summary of significant accounting policies of the Regional Office of Education No. 3 is presented to assist in understanding the Regional Office of Education No. 3's financial statements. The financial statements and notes are representations of the Regional Office of Education No. 3's management who is responsible for the integrity and objectivity of the financial statements. The Illinois Compiled Statutes (105 ILCS 5/2-3.17a) requires each Regional Office of Education to prepare annual financial statements utilizing a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting. The Regional Office of Education No. 3 prepared its financial statements utilizing the GAAP basis of accounting, in conformity with accounting principles generally accepted in the United States of America. These principles have been consistently applied in the preparation of the financial statements.

A. Financial Reporting Entity

The Regional Office operates under the School Code (Articles 5/3 and 5/3A of Illinois Compiled Statutes, Chapter 105). The Regional Office of Education No. 3 encompasses Bond, Christian, Effingham, Fayette, and Montgomery Counties. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the Regional Office of Education No. 3 and is elected pursuant to Article 3, Illinois Compiled Statutes, Chapter 105.

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 3's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions and carrying out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school 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 her control are properly bonded.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Financial Reporting Entity (Continued)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education No. 3, or seeing that no payments are made unless the treasurer has filed or renewed appropriate bonds 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. 3 applied for, received, and administered several State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education No. 3. Such activities are reported as a single major special revenue fund (i.e. within the Education Fund).

B. Scope of the Reporting Entity

The Regional Office of Education No. 3's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education No. 3 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education No. 3, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education No. 3 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education No. 3 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education No. 3 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education No. 3 being considered a component unit of the entity.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. New Accounting Pronouncements

In 2021, the Regional Office of Education No. 3 implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, 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*. The implementation of GASB Statement No. 84 established criteria for identifying fiduciary activities and provided guidance on reporting fiduciary activities. This Statement changed the Regional Office’s reporting of fiduciary activities and presentation of fiduciary fund 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. 3’s financial statements.

D. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education No. 3’s activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education No. 3 has one business-type activity that relies on fees and charges for support.

The Regional Office of Education No. 3’s government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education No. 3 accompanied by a total column. These statements are presented on an “economic resources” measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education No. 3’s assets, including capital assets, and deferred outflows of resources and liabilities and deferred inflows of resources, are included in the accompanying Statement of Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges for services and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Government-Wide and Fund Financial Statements (Continued)

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from other funds on the governmental fund Balance Sheet and proprietary fund Statement of Net Position and as other financing sources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as internal balances on the government-wide financial statements.

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

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

E. Governmental Fund Financial Statements

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

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

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Proprietary Fund Financial Statements

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

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

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

G. Measurement Focus and Basis of Accounting

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

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education No. 3; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Measurement Focus and Basis of Accounting (Continued)

Under the terms of grant agreements, Regional Office of Education No. 3 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is Regional Office of Education No. 3's policy to first apply restricted funds to such programs, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned, if any.

H. Fund Accounting

The Regional Office of Education No. 3 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. 3 uses governmental funds, proprietary funds and fiduciary funds.

I. Governmental Funds

Governmental funds are those through which most governmental functions of the Regional Office of Education No. 3 are typically reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets and deferred outflows of resources are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as a fund balance.

As prescribed by GASB Statement No. 34, governmental and proprietary fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds unless government officials determine that particular funds should be presented as major funds due to their importance to financial statement users. The Regional Office of Education No. 3 has presented all funds that met the above qualifications as major funds.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Governmental Funds (Continued)

The Regional Office of Education No. 3 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education No. 3. It is used to account for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted and reported for in another fund. The General Fund is always considered a major fund. The following accounts are included in the General Fund:

General – This fund provides funding for expenditures incurred in order to operate the Regional Office of Education No. 3.

County – This fund accounts for the shared expenses incurred in the operation of the Regional Superintendent's office.

EIU – This fund provides the opportunity for teachers and administrators to earn graduate credit through participation in weekend classes in programs leading to advanced degrees. Programs currently offered include a Master's Degree in Guidance and Counseling and a Master's or Specialist Degree in School Administration from EIU.

Attendance Officer – This program provides funding for a truant officer which is utilized to pay for related truancy expenses.

Curriculum COOP – This program accounts for local receipts from participating districts that are used to pay for joint events.

Truants Alternative/Optional Education (EBF) – This fund accounts for Evidence-Based Funding received to support the Truants Alternative/Optional Education Program.

Regional Safe Schools Program (EBF) – This fund accounts for Evidence-Based Funding received to support the Regional Safe Schools programs.

Tuition – This fund accounts for tuition payments from local districts sending students to alternative education programs provided by the Regional Office of Education No. 3.

Special Revenue Funds – Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Governmental Funds (Continued)

Major special revenue funds include the following:

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

ROE/ISC Operations – This fund accounts for comprehensive services to improve education in the Region in the areas of gifted, staff development, administrator academies, school improvement, and technology.

Truants Alternative/Optional Education – This program provides funding for services designed to prevent students from dropping out of school.

Adult Education & Family Literacy – This program provides funding to assist students in the completion of a secondary education.

Regional Safe Schools – This program provides funding for an alternative school program for disruptive youth in grades 6-9 who have been removed from the regular school setting due to continuous disruptions in the classroom.

McKinney Education for Homeless Children – This program provides training and technical assistance to school districts in the 16 counties to assist school officials in understanding and complying with the McKinney-Vento Act.

Title II - Teacher Quality - Leadership Grant – This program provides professional development for administrators, future administrators, and teacher leaders to receive required training for teacher principal evaluation.

Alternative Education Programs - Other – This fund regulates local, state, and federal revenue and expenses involving breakfast and lunch for the alternative schools.

Early Childhood Block Grant – This program is intended to implement and administer prevention initiative projects to reduce school failure by coordinating and expanding health, social, and/or child development services to at-risk children under the age of three and their families.

Early Childhood – Governor’s Emergency Education Relief Grant – This fund assists Early Childhood Block Grant programs who have been disproportionately impacted due to COVID-19.

Elementary and Secondary Relief – Digital Equity Formula Grant – This fund assists school districts in closing the digital divide and enabling digital-age teaching and learning.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Governmental Funds (Continued)

Education Fund (Continued)

Elementary and Secondary School Emergency Relief Grant – This fund provides emergency relief funds to educational agencies to address the impact that Novel Coronavirus Disease 2019 has had and continues to have on elementary and secondary schools across the nation.

Adult Education – Coronavirus Relief Fund (CURES) – This fund provides relief funds for improving remote instruction with students.

Institute Fund – This fund accounts for teacher license registration, issuance and evaluation fees for processing licenses, and expenses for meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

Additionally, the Regional Office of Education No. 3 reports the following nonmajor governmental funds:

Nonmajor Special Revenue Funds - All other special revenue funds not classified under Education or Institute Funds are grouped under this fund for financial statement presentation. Nonmajor special revenue funds include the following:

General Education Development – This fund accounts for the receipts and expenses pertaining to the G.E.D./High School Equivalency program for high school dropouts.

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

J. Proprietary Funds

Proprietary funds are used to account for activities financed primarily by revenues generated by the activities themselves. The major proprietary fund is as follows:

Workshops - This fund is used to account for the fees and local revenues received and related expenses incurred while performing the corresponding program services.

K. Fiduciary Funds

Custodial Fund - Custodial funds are used to report fiduciary activities that are not required to be reported in another fiduciary fund type. The custodial fund is as follows:

School Facility Occupation Tax - This fund accounts for the assets held by the Regional Office of Education No. 3 to be distributed to local school districts. Monies received from the State Comptroller for the School Facilities Occupation Tax are forwarded directly to the school districts.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Governmental Fund Balances

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

Nonspendable Fund Balance - the portion of a Governmental Fund's net position that is not available to be spent, either short term or long term in either form or through legal restrictions. The Regional Office of Education No. 3 has no nonspendable fund balances.

Restricted Fund Balance - the portion of a Governmental Fund's net position that is subject to external enforceable legal restrictions. The Alternative Education Programs – Other account fund balance is restricted by grant agreement or contract. The following accounts' fund balances are restricted by Illinois Statute: Institute Fund, General Education Development, and Bus Driver Training.

Committed Fund Balance - the portion of a Governmental Fund's net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education No. 3 has no committed fund balances.

Assigned Fund Balance - the portion of a Governmental Fund's net position to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts' fund balances are assigned: Attendance Officer, Curriculum COOP, Truants Alternative/Optional Education EBF, Regional Safe Schools Program EBF, and Tuition.

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following accounts' fund balances are unassigned: General, County, EIU, and Adult Education & Family Literacy.

M. Net Position

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

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Position (Continued)

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

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

N. Budget Information

The Regional Office of Education No. 3 acts as the administrative agent for certain grant programs that are accounted for in the Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education or other granting authority; however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the Education Fund do not have separate budgets.

Comparisons of budgeted and actual results for the following programs are presented as supplementary information: ROE/ISC Operations, Truants Alternative/Optional Education, Adult Education & Family Literacy, Regional Safe Schools, McKinney Education for Homeless Children, Title II - Teacher Quality - Leadership Grant, Early Childhood Block Grant, Early Childhood – Governor’s Emergency Education Relief Grant, Elementary and Secondary Relief – Digital Equity Formula Grant, Elementary and Secondary School Emergency Relief Grant, and Adult Education – Coronavirus Relief Fund (CURES).

O. Cash and Cash Equivalents

Cash and cash equivalents consists of cash on deposit. The Regional Office of Education No. 3 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. Investments with original maturities of more than three months are reported as investments.

P. Inventory

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more and estimated useful lives of greater than one year are reported at historical cost or estimated historical cost. Leasehold improvements are capitalized if the cost exceeds \$5,000 and the improvements are expenses of the ROE rather than the property owner. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Computer equipment	3 years
Automobiles	5 years
Other equipment	5 years
Office furniture	10 years
Leasehold improvements	10 years
Food service equipment	10 years

R. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the Regional Office of Education No. 3's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education No. 3's OPEB Plan and additions to/deductions from the Regional Office of Education No. 3's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 3's Plan. For this purpose, the Regional Office of Education No. 3's Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

S. Compensated Absences

Full-time employees earn up to 20 vacation days for a full year of service. Vacation days must be used by the end of the fiscal year and may not be carried over to the following year. Seasonal and part-time employees do not earn vacation days. No pay for unused vacation days will be received by an employee when they leave the Regional Office of Education No. 3 or at any time during their employment; therefore, no liability is accrued.

Employees receive up to 13 sick days annually. Employee sick leave is recorded when paid. TRS employees may accumulate 180 days and IMRF employees may accumulate 240 days as service credit towards retirement based on the current rules and regulations of TRS and IMRF. Upon termination, employees do not receive any accumulated sick leave pay; therefore, no liability is accrued.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Estimates

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

U. Revenue from Federal and State Grants

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

V. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension or OPEB expense and contributions from the employer after the measurement date but before the end of the employer's reporting period. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources reported in the government fund financial statements as unavailable revenue, if any, represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay for liabilities of the current year. Revenues are not available if they are received more than 60 days after the end of the fiscal year. Deferred inflows of resources in the Statement of Net Position consist of items not yet recognized as an offset to pension and OPEB expense.

2. DEPOSITS AND INVESTMENTS

The Regional Office of Education No. 3 does not have a formal investment policy. The Regional Office of Education No. 3 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued)

A. Bank Deposits

At June 30, 2021, the carrying amount of the Regional Office of Education No. 3's government-wide deposits were \$2,364,926, and the bank balances were \$3,193,685. Of the total bank balances as of June 30, 2021, \$301,529 was secured by federal depository insurance and \$2,892,156 was collateralized by securities pledged by the Regional Office of Education No. 3's financial institution in the name of the Regional Office.

a. Custodial Credit Risk

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

To guard against custodial credit risk for deposits with financial institutions, the Bond, Christian, Fayette, Effingham and Montgomery Counties Regional Office of Education No. 3's policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Bond, Christian, Fayette, Effingham and Montgomery Counties Regional Office of Education No. 3.

B. Investments

The Regional Office of Education No. 3's only investments are internally pooled in The Illinois Funds. As of June 30, 2021, the Regional Office of Education No. 3 had investments with carrying and fair value of \$0 invested in The Illinois Funds.

The bank balance invested in The Illinois Funds was \$7,458. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 3's governmental activities.

a. Credit Risk

At June 30, 2021, The Illinois Funds had earned Fitch's highest investment grade rating of AA+mmf for a government-managed money market fund. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

b. Interest Rate Risk

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

c. Concentration of Credit Risk

According to The Illinois Funds' investment policy, "the majority of The Illinois Funds' investments will be in direct obligations of the United States Treasury and United States Government Agencies and Instrumentalities and cash equivalents." The Illinois Funds' investment portfolio shall limit investments to a maximum of 5% of assets invested in short-term obligations of any one corporation, 5% of assets invested in long-term obligations of any one corporation or limited liability company, and 3% of assets invested in any single issuer of municipal securities issued by counties or municipal corporations of the State of Illinois, among other investment portfolio limitations.

3. CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education No. 3 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases are capitalized when purchased for business-type activities. The following table provides a summary of changes in capital assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2021:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental activities:				
Capital assets being depreciated:				
Office equipment and furniture	\$ 49,755	\$ -	\$ 4,499	\$ 45,256
Computer equipment	64,343	-	7,312	57,031
Other equipment and leasehold improvements	163,438	28,014	-	191,452
Less accumulated depreciation	<u>(190,291)</u>	<u>(32,763)</u>	<u>(11,811)</u>	<u>(211,243)</u>
Governmental activities capital assets, net	<u>\$ 87,245</u>	<u>\$ (4,749)</u>	<u>\$ -</u>	<u>\$ 82,496</u>
Business-type activities:				
Capital assets being depreciated:				
Office equipment and furniture	\$ 24,369	\$ -	\$ -	\$ 24,369
Computer equipment	15,540	-	-	15,540
Other equipment and leasehold improvements	11,000	-	-	11,000
Less accumulated depreciation	<u>(34,120)</u>	<u>(3,200)</u>	<u>-</u>	<u>(37,320)</u>
Business-type activities capital assets, net	<u>\$ 16,789</u>	<u>\$ (3,200)</u>	<u>\$ -</u>	<u>\$ 13,589</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2021 of \$32,763 and \$3,200 was charged to governmental activities - instructional services and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

4. DEFINED BENEFIT PENSION PLAN – ILLINOIS MUNICIPAL RETIREMENT FUND

A. IMRF Plan Description

The Regional Office of Education No. 3'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. 3's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available 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.

B. Benefits Provided

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

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

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

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

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

C. Employees Covered by Benefit Terms

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

Retirees and beneficiaries currently receiving benefits	30
Inactive plan members entitled to but not yet receiving benefits	26
Active plan members	25
Total	81

D. Contributions

As set by statute, the Regional Office of Education No. 3’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. 3’s annual contribution rate for calendar year 2020 was 12.19%. For the fiscal year ended June 30, 2021, the Regional Office of Education No. 3 contributed \$105,588 to the plan. The Regional Office of Education No. 3 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.

E. Net Pension Liability (Asset)

The Regional Office of Education No. 3’s net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

F. Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

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

F. Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	5.00%
International equities	18%	6.00%
Fixed income	28%	1.30%
Real estate	9%	6.20%
Alternatives	7%	
Private equity		6.95%
Hedge funds		N/A
Commodities		2.85%
Cash equivalents	1%	0.70%
Total	<u>100%</u>	

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

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

G. Single Discount Rate

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

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

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

H. Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at December 31, 2019	\$ 5,140,656	\$ 4,935,271	\$ 205,385
Changes for the year:			
Service Cost	86,668	-	86,668
Interest on the total pension liability	365,276	-	365,276
Differences between expected and actual experience of the total pension liability	247,684	-	247,684
Contributions - employer	-	109,443	(109,443)
Contributions - employees	-	41,392	(41,392)
Changes of assumptions	(59,974)	-	(59,974)
Net investment income	-	977,269	(977,269)
Benefit payments, including refunds of employee contributions	(291,403)	(291,403)	-
Other (net transfer)	-	(4,617)	4,617
Net changes	<u>348,251</u>	<u>832,084</u>	<u>(483,833)</u>
Balances at December 31, 2020	<u>\$ 5,488,907</u>	<u>\$ 5,767,355</u>	<u>\$ (278,448)</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

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

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

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net Pension Liability (Asset)	<u>\$ 378,101</u>	<u>\$ (278,448)</u>	<u>\$ (796,140)</u>

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

For the year ended June 30, 2021, the Regional Office of Education No. 3 recognized pension benefit of \$23,290. At June 30, 2021, the Regional Office of Education No. 3 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience Assumption changes	\$ 204,533	\$ 3,189
Net difference between projected and actual earnings on pension plan investments	5,009	42,865
	<u>-</u>	<u>603,055</u>
Total Deferred Amount to be Recognized in Pension Expense in Future Periods	209,542	649,109
Pension Contributions Made Subsequent to the Measurement Date	<u>51,443</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 260,985</u>	<u>\$ 649,109</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

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

J. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of resources Related to Pensions (Continued)

\$51,443 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2022.

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

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (77,318)
2022	(38,330)
2023	(200,692)
2024	<u>(123,227)</u>
Total	<u>\$ (439,567)</u>

5. TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

A. Plan Description

The Regional Office of Education No. 3 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.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

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

B. Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
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NOTES TO FINANCIAL STATEMENTS

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

C. 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 employer.

D. On Behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 3. For the year ended June 30, 2021, the State of Illinois contributions recognized by the Regional Office of Education No. 3 were based on the State's proportionate share of the pension expense associated with the Regional Office of Education No. 3, and the Regional Office of Education No. 3 recognized revenue and expenditures of \$714,799 in pension contributions from the State of Illinois.

E. 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 \$5,420 and are deferred because they were paid after the June 30, 2020 measurement date.

F. 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. 3, there is a statutory requirement for the Regional Office of Education No. 3 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 contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

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

F. Federal and Special Trust Fund Contributions (Continued)

For the year ended June 30, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$100,308 were paid from federal and special trust funds that required employer contributions of \$10,442. These contributions are deferred because they were paid after the June 30, 2020 measurement date.

G. 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. 3 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the Regional Office of Education No. 3 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.

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

At June 30, 2021, the Regional Office of Education No. 3 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 85,690
State's proportionate share of the net pension liability associated with the employer	6,711,691
Total	\$ 6,797,381

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

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

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The Regional Office of Education No. 3's proportion of the net pension liability was based on the Regional Office of Education No. 3's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2020, the Regional Office of Education No. 3's proportion was 0.0000993908 percent, which was an increase of 0.0000161449 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Regional Office of Education No. 3 recognized pension expense of \$714,799 and revenue of \$714,799 for support provided by the State. For the year ended June 30, 2021, the Regional Office of Education No. 3 recognized pension expense of \$28,461. At June 30, 2021, the Regional Office of Education No. 3 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 830	\$ 23
Net difference between projected and actual earnings on pension plan investments	2,559	-
Changes of assumptions	351	899
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>106,007</u>	<u>336,096</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	109,747	337,018
Employer Contributions Made Subsequent to the Measurement Date	<u>15,862</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 125,609</u></u>	<u><u>\$ 337,018</u></u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

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

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

\$15,862 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized by the Regional Office of Education No. 3 as a reduction of net pension liability in the reporting year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (47,654)
2023	(123,021)
2024	(60,030)
2025	2,442
2026	992
Total	\$ (227,271)

I. Actuarial Assumptions

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

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

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

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

I. Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	16.5%	6.1%
U.S. equities small/mid cap	2.3%	7.2%
International equities developed	12.2%	7.0%
Emerging market equities	3.0%	9.4%
U.S. bonds core	7.0%	2.2%
U.S. bonds high yield	2.5%	4.1%
International debt developed	3.1%	1.5%
Emerging international debt	3.2%	4.5%
Real estate	16.0%	5.7%
Private debt	5.2%	6.3%
Hedge funds	10.0%	4.3%
Private equity	15.0%	10.5%
Infrastructure	4.0%	6.2%
Total	100%	

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

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

J. Discount Rate

At June 30, 2020, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2019 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

K. Sensitivity of the Regional Office of Education No. 3's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Regional Office of Education No. 3's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
	<u> </u>	<u> </u>	<u> </u>
Employer's proportionate share of the net pension liability	<u>\$ 104,012</u>	<u>\$ 85,690</u>	<u>\$ 70,606</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

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

L. TRS Fiduciary Net Position

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

6. TEACHER'S HEALTH INSURANCE SECURITY FUND

A. THIS Plan Description

The Regional Office of Education No. 3 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).

B. Benefits Provided

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

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

6. TEACHER'S HEALTH INSURANCE SECURITY FUND (Continued)

C. On-Behalf Contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 3. For the year ended June 30, 2021, State of Illinois contributions recognized by the Regional Office of Education No. 3 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 3, and recognized revenue and expenditures of \$33,336 in OPEB contributions from the State of Illinois.

D. Employer Contributions to THIS Fund

The Regional Office of Education No. 3 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2021, and 0.92 and 0.92 percent during the years ended June 30, 2020 and 2019, respectively. For the year ended June 30, 2021, the Regional Office of Education No. 3 paid \$8,598 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. 3 paid \$7,685 and \$5,980 to the THIS Fund, respectively, which was 100 percent of the required contribution.

E. 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."

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

6. TEACHER'S HEALTH INSURANCE SECURITY FUND (Continued)

F. Actuarial Assumptions

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

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return	0%, net of OPEB plan investment expense, including inflation for all plan years
Healthcare cost trend rates	Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

6. TEACHER'S HEALTH INSURANCE SECURITY FUND (Continued)

G. Single Discount Rate

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

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

H. Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate

The following presents the Regional Office of Education No. 3's proportionate share of the collective net OPEB liability, as well as what the ROE's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
Employer's proportionate share of the collective net OPEB liability	\$ 1,061,024	\$ 882,824	\$ 741,637

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

6. TEACHER'S HEALTH INSURANCE SECURITY FUND (Continued)

I. Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table shows the Regional Office of Education No. 3's collective net OPEB liability as of June 30, 2020, using healthcare cost trend rates that are either 1-percentage-point higher or lower than the current healthcare cost trend rates. The key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	<u>1% Decrease*</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase**</u>
Employer's proportionate share of the collective net OPEB liability	<u>\$ 710,056</u>	<u>\$ 882,824</u>	<u>\$ 1,116,364</u>

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

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

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

At June 30, 2021, the Regional Office of Education No. 3 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 3. The amount recognized by the Regional Office of Education No. 3 as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Regional Office of Education No. 3 were as follows:

Employer's proportionate share of the collective net OPEB liability	\$ 882,824
State's proportionate share of the collective net OPEB liability associated with the employer	<u>1,196,014</u>
Total	<u><u>\$ 2,078,838</u></u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

6. TEACHER'S HEALTH INSURANCE SECURITY FUND (Continued)

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

The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2019, and was rolled forward to the June 30, 2020 measurement date. The Regional Office of Education No. 3's proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 3's long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 3, actuarially determined. At June 30, 2020, the Regional Office of Education No. 3's proportion was 0.003302 percent, which was an increase of 0.000658 from its proportion measured as of June 30, 2019 (0.002644 percent). The State's support and total are for disclosure purposes only.

For the year ended June 30, 2021, the Regional Office of Education No. 3 recognized OPEB expense of \$33,336 and revenue of \$33,336 for support provided by the State. For the year ended June 30, 2021, the Regional Office of Education No. 3 recognized OPEB expense of \$49,918. At June 30, 2021, the Regional Office of Education No. 3 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 23,456
Changes of assumptions	299	145,620
Net difference between projected and actual earnings on OPEB plan investments	-	25
Changes in proportion and differences between employer contributions and proportionate share of contributions	229,775	76,748
Employer contributions subsequent to the measurement date	8,598	-
Total Deferred Amounts Related to OPEB	\$ 238,672	\$ 245,849

\$8,598 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education No. 3 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education No. 3's OPEB expense as follows:

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

6. TEACHER'S HEALTH INSURANCE SECURITY FUND (Continued)

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

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (2,167)
2023	(2,167)
2024	(2,167)
2025	(2,167)
2026	(2,160)
Thereafter	(4,947)
Total	\$ (15,775)

K. THIS Fiduciary Net Position

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

7. RISK MANAGEMENT

The Regional Office of Education No. 3 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. 3 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
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NOTES TO FINANCIAL STATEMENTS

8. INTERFUND ACTIVITY

Due To/From Other Funds

Interfund due to/from other fund balances at June 30, 2021 consist of the following individual due to/from other funds in the governmental fund Balance Sheet and proprietary fund Statement of Net Position. The balances between governmental funds were eliminated in the government-wide Statement of Net Position. The balances between governmental and business-type activities were not eliminated in the government-wide Statement of Net Position. The loans were used to cover cash shortages in the Education Fund.

Fund	Due from Other Funds	Due to Other Funds
General Fund		
Truants Alternative/Optional Education EBF	\$ 14,071	\$ -
Education Fund		
Adult Education & Family Literacy	-	6,985
McKinney Education for Homeless Children	-	37,112
Early Childhood - Governor's Emergency Education Relief Grant	-	4,218
Elementary and Secondary Relief - Digital Equity Formula Grant	-	5,549
Elementary and Secondary School Emergency Relief Grant	-	1,537
Proprietary Fund		
Enterprise Fund Workshops	41,330	-
Totals	\$ 55,401	\$ 55,401

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

9. ON BEHALF PAYMENTS

Christian County, Effingham County, and Fayette County paid certain benefits on behalf of the Regional Office of Education No. 3. The benefits paid on the Regional Office of Education No. 3's behalf for the year ended June 30, 2021, were as follows:

Christian County		
Office Staff Benefits	\$	8,468
Effingham County		
Office Staff Benefits		7,272
Fayette County		
Office Staff Benefits		14,683
	\$	<u>30,423</u>

The State of Illinois paid the following salaries, benefits, and contributions on behalf of the Regional Office of Education No. 3:

Regional Superintendent - salary	\$	122,592
Regional Superintendent - benefits (includes State paid insurance)		39,818
Assistant Regional Superintendent - salary		110,328
Assistant Regional Superintendent - benefits (includes State paid insurance)		33,218
	\$	<u>305,956</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 (ISBE). These amounts have been recorded in the accompanying financial statements as State revenue and expenditures.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

9. ON BEHALF PAYMENTS (Continued)

The Regional Office of Education No. 3 also recorded \$714,799 in revenue and expenses as on behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense and \$33,336 in revenues and expenses as on behalf payments from ISBE for the Regional Office's share of the Teacher Health Insurance Security (THIS) Fund OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 3 has not included any on behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

Christian, Effingham and Fayette Counties on behalf payments	\$ 30,423
State of Illinois on behalf payments	305,956
ROE No. 3's share of TRS pension expense	714,799
ROE No. 3's share of THIS OPEB expense	33,336
Total	<u><u>\$ 1,084,514</u></u>

10. OPERATING LEASE

The Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3 has entered into operating leases through June 30, 2021 for its Alternative Education Programs to provide classroom space for the FOCUS and New Approach Schools in Vandalia, the TriStar and Aspire Schools at the West Side School in Effingham, the Revive and Phoenix Schools at the Panhandle School District in Raymond, and office space for grant programs in Vandalia. Rent expense for 2021 totaled \$138,500. Unless written notice is given to the party desiring to terminate the lease, these lease contracts are automatically renewed on an annual basis. The rent expense is determined at the annual renewal. The Effingham site will be moving to the Lincoln Land Building in Effingham for the FY22 school year.

The Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3 has entered into operating lease agreements for five copiers. Rent expense for 2021 totaled \$8,388. Future minimum rentals are as follows for the year ending June 30:

2022	\$ 4,860
2023	3,684
2024	1,264
2025	65
Total	<u><u>\$ 9,873</u></u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
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NOTES TO FINANCIAL STATEMENTS

11. DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education No. 3's General Fund, Education Fund, Nonmajor Special Revenue Funds, Proprietary Fund, and Fiduciary Fund have funds due from/to various other governmental units which consist of the following:

Due from Other Governments:

General Fund:	
Local Governments	<u>\$ 500</u>
Education Fund:	
Illinois State Board of Education	139,035
Illinois Community College Board	<u>9,314</u>
Total Education Fund	<u>148,349</u>
Nonmajor Special Revenue Fund:	
Local Governments	<u>135</u>
Proprietary Fund:	
Local Governments	<u>1,275</u>
Fiduciary Fund:	
Illinois Department of Revenue	<u>2,487,601</u>
	<u><u>\$ 2,637,860</u></u>

Due to Other Governments:

Education Fund:	
Regional Offices of Education	\$ 90,619
Fiduciary Fund:	
Local Governments	<u>2,487,601</u>
	<u><u>\$ 2,578,220</u></u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

NOTES TO FINANCIAL STATEMENTS

12. LONG-TERM LIABILITY ACTIVITY

Changes in long-term liabilities during the fiscal year were as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Net pension liability - TRS	\$ 67,519	\$ 18,171	\$ -	\$ 85,690
Net pension liability - IMRF	205,385	-	205,385	-
OPEB liability - THIS	731,923	150,901	-	882,824
 Total long-term liabilities	 <u>\$ 1,004,827</u>	 <u>\$ 169,072</u>	 <u>\$ 205,385</u>	 <u>\$ 968,514</u>

Payments on the net pension liabilities and the net OPEB liabilities are made by the governmental funds.

13. DEFICIT FUND BALANCE/NET POSITION

The following individual fund carried a deficit fund balance as of June 30, 2021:

Adult Education & Family Literacy	\$9,314
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The Regional Office of Education No. 3 anticipates that they will collect monies that are not yet recognized as revenue.

**REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS)**

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**ILLINOIS MUNICIPAL RETIREMENT FUND -
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
(UNAUDITED)**

**For the years ended June 30, 2021, 2020, 2019, 2018, 2017, 2016, and 2015
(Amounts presented are for the calendar years ended
December 31, 2020, 2019, 2018, 2017, 2016, 2015, and 2014)**

Calendar year ended December 31,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 86,668	\$ 78,266	\$ 68,828	\$ 78,911	\$ 102,279	\$ 47,482	\$ 96,369
Interest on the total pension liability	365,276	347,223	340,841	339,366	326,221	176,324	269,662
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	247,684	75,870	(90,054)	(46,009)	(56,649)	171,345	101,080
Changes of assumptions	(59,974)	-	141,467	(137,697)	-	-	134,807
Benefit payments, including refunds of employee contributions	(291,403)	(221,716)	(220,396)	(199,327)	(170,481)	(116,039)	(87,834)
Net change in total pension liability	348,251	279,643	240,686	35,244	201,370	279,112	514,084
Total pension liability - beginning	5,140,656	4,861,013	4,620,327	4,585,083	4,383,713	4,104,601	3,590,517
Total pension liability - ending (A)	5,488,907	5,140,656	4,861,013	4,620,327	4,585,083	4,383,713	4,104,601
Plan Fiduciary Net Position							
Contributions - employer	109,443	77,973	110,723	110,535	111,917	111,979	123,623
Contributions - employees	41,392	38,223	36,636	35,428	35,145	38,434	36,672
Net investment income	977,269	825,523	(321,752)	606,692	316,325	(25,749)	204,565
Benefit payments, including refunds of employee contributions	(291,403)	(221,716)	(220,396)	(199,327)	(170,481)	(116,039)	(87,834)
Other (net transfer)	(4,617)	(4,193)	(6,003)	(3,281)	(4,859)	3,623	(2,702)
Net change in plan fiduciary net position	832,084	715,810	(400,792)	550,047	288,047	12,248	274,324
Plan fiduciary net position - beginning	4,935,271	4,219,461	4,620,253	4,070,206	3,782,159	3,769,911	3,495,587
Plan fiduciary net position - ending (B)	5,767,355	4,935,271	4,219,461	4,620,253	4,070,206	3,782,159	3,769,911
Net pension liability (asset) - ending (A) - (B)	\$ (278,448)	\$ 205,385	\$ 641,552	\$ 74	\$ 514,877	\$ 601,554	\$ 334,690
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.07%	96.00%	86.80%	100.00%	88.77%	86.28%	91.85%
Covered Payroll	\$ 897,812	\$ 849,390	\$ 814,142	\$ 787,287	\$ 781,000	\$ 854,076	\$ 814,920
Net Pension Liability as a Percentage of Covered Payroll	-31.01%	24.18%	78.80%	0.01%	65.93%	70.43%	41.07%

Notes to Schedule:

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

Changes in assumptions:

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**ILLINOIS MUNICIPAL RETIREMENT FUND -
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)**

For the years ended June 30, 2021, 2020, 2019, 2018, 2017, 2016, and 2015

Fiscal Year Ended June 30,	Actuarially Determined Contribution^a	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	\$ 116,320	\$ 117,456	\$ (1,136)	\$ 832,105	14.12%
2016	114,165	116,310	(2,145)	848,052	13.71%
2017	105,869	105,869	-	746,600	14.18%
2018	111,865	111,865	-	809,547	13.82%
2019	92,667	92,667	-	813,902	11.39%
2020	95,840	95,840	-	895,263	10.71%
2021	105,588	105,588	-	885,369	11.93%

^a These actuarially determined contributions have been adjusted from IMRF's calendar year determination to reflect the amounts as of the entity's fiscal year end based on information from the entity's records.

Notes to Schedule:

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

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

Valuation Date:

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

Methods and Assumptions Used to Determine 2020 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	23 year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.25%
Price Inflation:	2.50%
Salary Increases:	3.35% to 14.25%, including inflation

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**ILLINOIS MUNICIPAL RETIREMENT FUND -
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)**

For the years ended June 30, 2021, 2020, 2019, 2018, 2017, 2016, and 2015

Methods and Assumptions Used to Determine 2020 Contribution Rates: (Concluded)

Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality:	For non-disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation; note two year lag between valuation and rate setting.

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS -
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
(UNAUDITED)**

**For the years ended June 30, 2021, 2020, 2019, 2018, 2017, 2016, and 2015
(Amounts presented are for the years ended June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014)**

	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
Employer's proportion of the net pension liability	0.0000993908%	0.0000832459%	0.0000936611%	0.0011053358%	0.0005850993%	0.0005696699%	0.0005551387%
Employer's proportionate share of the net pension liability	\$ 85,690	\$ 67,519	\$ 73,004	\$ 844,456	\$ 461,854	\$ 373,191	\$ 337,848
State's proportionate share of the net pension liability associated with the employer	<u>6,711,691</u>	<u>4,805,272</u>	<u>5,001,080</u>	<u>5,151,070</u>	<u>4,888,245</u>	<u>3,110,988</u>	<u>2,428,738</u>
Total	<u><u>\$ 6,797,381</u></u>	<u><u>\$ 4,872,791</u></u>	<u><u>\$ 5,074,084</u></u>	<u><u>\$ 5,995,526</u></u>	<u><u>\$ 5,350,099</u></u>	<u><u>\$ 3,484,179</u></u>	<u><u>\$ 2,766,586</u></u>
Employer's covered payroll	\$ 835,358	\$ 650,007	\$ 670,951	\$ 695,723	\$ 615,844	\$ 481,735	\$ 400,502
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.3%	10.4%	10.9%	121.4%	75.0%	77.5%	84.4%
Plan fiduciary net position as a percentage of the total pension liability	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS -
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)
For the years ended June 30,**

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily-required contribution	\$ 15,862	\$ 14,222	\$ 13,073	\$ 10,961	\$ 45,539	\$ 22,659	\$ 19,962	\$ 19,807
Contributions in relation to the statutorily-required contribution	<u>15,862</u>	<u>14,222</u>	<u>13,073</u>	<u>10,961</u>	<u>45,539</u>	<u>22,659</u>	<u>19,962</u>	<u>19,807</u>
Contribution deficiency (excess)	<u>\$ -</u>							
Employer's covered payroll	\$ 934,554	\$ 835,358	\$ 650,007	\$ 670,951	\$ 695,723	\$ 615,844	\$ 481,735	\$ 400,502
Contributions as a percentage of covered payroll	1.7%	1.7%	2.0%	1.6%	6.5%	3.7%	4.1%	4.9%

Notes to Schedule:

The information on both TRS schedules will accumulate until a full 10 year trend is presented as required by GASB Statement No. 68.

Changes of assumptions

For the 2020, 2019, 2018, 2017, and 2016 measurement years, the assumed investment rate of return was 7.0 percent including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit and were consistent in 2019 and 2020, but the rates of increase in the 2018 measurement year were slightly higher. These actuarial assumptions were based on an experience study dated September 18, 2018.

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**TEACHER'S HEALTH INSURANCE SECURITY FUND -
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)**

For the years ended June 30, 2021, 2020, 2019, 2018, 2017, and 2016

<u>Fiscal Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2021	\$ 8,598	\$ 8,598	-	\$ 934,554	0.92%
2020	7,685	7,685	-	835,358	0.92%
2019	5,980	5,980	-	650,007	0.92%
2018	5,904	5,904	-	670,951	0.88%
2017	5,844	5,844	-	695,723	0.84%
2016	4,927	4,927	-	615,844	0.80%

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**TEACHERS' HEALTH INSURANCE SECURITY FUND -
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE COLLECTIVE NET OPEB LIABILITY
(UNAUDITED)**

**For the years ended June 30, 2021, 2020, 2019, 2018, and 2017
(Amounts presented are for the years ended June 30, 2020, 2019, 2018, 2017, and 2016)**

	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>
Employer's proportion of the collective net OPEB liability	0.003302%	0.002644%	0.002830%	0.003024%	0.002644%
Employer's proportionate share of the collective net OPEB liability	\$ 882,824	\$ 731,923	\$ 745,700	\$ 784,840	\$ 722,760
State's proportionate share of the collective net OPEB liability associated with the employer	<u>1,196,014</u>	<u>991,168</u>	<u>1,001,384</u>	<u>1,030,608</u>	<u>1,002,250</u>
Total	<u><u>\$ 2,078,838</u></u>	<u><u>\$ 1,723,091</u></u>	<u><u>\$ 1,747,084</u></u>	<u><u>\$ 1,815,448</u></u>	<u><u>\$ 1,725,010</u></u>
Employer's covered payroll	\$ 835,358	\$ 650,007	\$ 670,951	\$ 695,723	\$ 615,844
Employer's proportionate share of the collective net OPEB liability as a percentage of covered payroll	105.68%	112.60%	111.14%	112.81%	117.36%
Plan fiduciary net position as a percentage of the collective total OPEB liability	0.70%	0.25%	-0.07%	-0.17%	-0.22%

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

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

Notes to Required Supplementary Information

Changes of Benefit Term

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

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**TEACHERS' HEALTH INSURANCE SECURITY FUND -
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE COLLECTIVE NET OPEB LIABILITY
(UNAUDITED)**

**For the years ended June 30, 2021, 2020, 2019, 2018, and 2017
(Amounts presented are for the years ended June 30, 2020, 2019, 2018, 2017, and 2016)**

Changes of Assumptions

	Measurement year	
	2020	2019
Inflation	2.50 percent	2.50 percent
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Healthcare cost trend rates	Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years after 2020, trend starts at 8.25% for non-Medicare costs and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

SUPPLEMENTARY INFORMATION

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2021**

	<u>General</u>	<u>County</u>	<u>EIU</u>
ASSETS			
Cash and cash equivalents	\$ 110,801	\$ 43,559	\$ 8,946
Due from other funds	-	-	-
Due from other governments	<u>500</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 111,301</u></u>	<u><u>\$ 43,559</u></u>	<u><u>\$ 8,946</u></u>
LIABILITIES			
Salaries and benefits payable	<u>\$ -</u>	<u>\$ 840</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>840</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>500</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Assigned	-	-	-
Unassigned	<u>110,801</u>	<u>42,719</u>	<u>8,946</u>
Total fund balances	<u>110,801</u>	<u>42,719</u>	<u>8,946</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 111,301</u></u>	<u><u>\$ 43,559</u></u>	<u><u>\$ 8,946</u></u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2021**

	<u>Attendance Officer</u>	<u>Curriculum COOP</u>	<u>Truants Alternative/ Optional Education EBF</u>
ASSETS			
Cash and cash equivalents	\$ 22,633	\$ 5,822	\$ 709,600
Due from other funds	-	-	14,071
Due from other governments	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 22,633</u>	<u>\$ 5,822</u>	<u>\$ 723,671</u>
LIABILITIES			
Salaries and benefits payable	\$ 997	\$ -	\$ 32,768
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>997</u>	<u>-</u>	<u>32,768</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Assigned	21,636	5,822	690,903
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>21,636</u>	<u>5,822</u>	<u>690,903</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,633</u>	<u>\$ 5,822</u>	<u>\$ 723,671</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2021**

	Regional Safe Schools Program EBF	Tuition	Total
ASSETS			
Cash and cash equivalents	\$ 485,665	\$ 84,711	\$ 1,471,737
Due from other funds	-	-	14,071
Due from other governments	-	-	500
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 485,665</u>	<u>\$ 84,711</u>	<u>\$ 1,486,308</u>
LIABILITIES			
Salaries and benefits payable	<u>\$ 13,876</u>	<u>\$ -</u>	<u>\$ 48,481</u>
Total liabilities	<hr/> 13,876	<hr/> -	<hr/> 48,481
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<hr/> -	<hr/> -	<hr/> 500
FUND BALANCES			
Assigned	471,789	84,711	1,274,861
Unassigned	-	-	162,466
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>471,789</u>	<u>84,711</u>	<u>1,437,327</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 485,665</u>	<u>\$ 84,711</u>	<u>\$ 1,486,308</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the year ended June 30, 2021**

	<u>General</u>	<u>County</u>	<u>EIU</u>
Revenues:			
Local sources	\$ 4,346	\$ 236,623	\$ 1,440
Local sources-on-behalf payments	30,423	-	-
State sources	-	-	-
State sources-on-behalf payments	305,956	-	-
Interest	<u>3,595</u>	<u>-</u>	<u>-</u>
 Total revenues	 <u>344,320</u>	 <u>236,623</u>	 <u>1,440</u>
Expenditures:			
Instructional services:			
Salaries and benefits	1,399	201,164	-
Purchased services	6,734	17,557	-
Supplies and materials	285	735	-
Pension expense	2,181	21,108	-
OPEB expense	-	-	-
On-behalf payments	336,379	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenditures	 <u>346,978</u>	 <u>240,564</u>	 <u>-</u>
 Net change in fund balances	 (2,658)	 (3,941)	 1,440
 Fund balances, beginning of year	 <u>113,459</u>	 <u>46,660</u>	 <u>7,506</u>
 Fund balances, end of year	 <u>\$ 110,801</u>	 <u>\$ 42,719</u>	 <u>\$ 8,946</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the year ended June 30, 2021**

	Attendance Officer	Curriculum COOP	Truants Alternative/ Optional Education EBF
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Local sources	\$ 18,000	\$ -	\$ 1,394
Local sources-on-behalf payments	-	-	-
State sources	-	-	551,879
State sources-on-behalf payments	-	-	-
Interest	-	-	142
	<u>18,000</u>	<u>-</u>	<u>553,415</u>
Expenditures:			
Instructional services:			
Salaries and benefits	10,793	-	391,031
Purchased services	4,818	478	30,336
Supplies and materials	704	-	16,135
Pension expense	1,191	-	21,931
OPEB expense	-	-	3,860
On-behalf payments	-	-	-
Capital outlay	766	-	-
	<u>18,272</u>	<u>478</u>	<u>463,293</u>
Net change in fund balances	(272)	(478)	90,122
Fund balances, beginning of year	<u>21,908</u>	<u>6,300</u>	<u>600,781</u>
Fund balances, end of year	<u>\$ 21,636</u>	<u>\$ 5,822</u>	<u>\$ 690,903</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the year ended June 30, 2021**

	Regional Safe Schools Program EBF	Tuition	Total
Revenues:			
Local sources	\$ -	\$ 34,305	\$ 296,108
Local sources-on-behalf payments	-	-	30,423
State sources	436,216	-	988,095
State sources-on-behalf payments	-	-	305,956
Interest	-	-	3,737
	<hr/>	<hr/>	<hr/>
Total revenues	436,216	34,305	1,624,319
	<hr/>	<hr/>	<hr/>
Expenditures:			
Instructional services:			
Salaries and benefits	239,195	-	843,582
Purchased services	46,107	27,908	133,938
Supplies and materials	14,342	-	32,201
Pension expense	5,179	-	51,590
OPEB expense	1,801	-	5,661
On-behalf payments	-	-	336,379
Capital outlay	-	-	766
	<hr/>	<hr/>	<hr/>
Total expenditures	306,624	27,908	1,404,117
	<hr/>	<hr/>	<hr/>
Net change in fund balances	129,592	6,397	220,202
Fund balances, beginning of year	342,197	78,314	1,217,125
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 471,789	\$ 84,711	\$ 1,437,327
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2021**

	<u>ROE/ISC Operations</u>	<u>Truants Alternative/ Optional Education</u>	<u>Adult Education & Family Literacy</u>
ASSETS			
Cash and cash equivalents	\$ 2,986	\$ 23,663	\$ 4,299
Due from other governments	-	-	9,314
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 2,986</u>	<u>\$ 23,663</u>	<u>\$ 13,613</u>
LIABILITIES			
Salary and benefits payable	\$ 2,986	\$ 23,663	\$ 6,628
Due to other funds	-	-	6,985
Due to other governments	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	2,986	23,663	13,613
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<hr/> -	<hr/> -	<hr/> 9,314
FUND BALANCES (DEFICITS)			
Restricted	-	-	-
Unassigned	<hr/> -	<hr/> -	<hr/> (9,314)
	<hr/>	<hr/>	<hr/>
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>(9,314)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 2,986</u>	<u>\$ 23,663</u>	<u>\$ 13,613</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2021**

	Regional Safe Schools	McKinney Education for Homeless Children	Title II - Teacher Quality - Leadership Grant
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 6,333	\$ -	\$ -
Due from other governments	-	127,731	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 6,333</u></u>	<u><u>\$ 127,731</u></u>	<u><u>\$ -</u></u>
LIABILITIES			
Salary and benefits payable	\$ 6,333	\$ -	\$ -
Due to other funds	-	37,112	-
Due to other governments	-	90,619	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	6,333	127,731	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u> </u>	<u> </u>	<u> </u>
	-	-	-
FUND BALANCES (DEFICITS)			
Restricted	-	-	-
Unassigned	<u> </u>	<u> </u>	<u> </u>
	-	-	-
Total fund balances (deficits)	<u> </u>	<u> </u>	<u> </u>
	-	-	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u><u>\$ 6,333</u></u>	<u><u>\$ 127,731</u></u>	<u><u>\$ -</u></u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2021**

	Alternative Education Programs - Other	Early Childhood Block Grant	Early Childhood - Governor's Emergency Education Relief Grant
ASSETS			
Cash and cash equivalents	\$ 56,035	\$ -	\$ -
Due from other governments	-	-	4,218
	<hr/>	<hr/>	<hr/>
Total assets	\$ 56,035	\$ -	\$ 4,218
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Salary and benefits payable	\$ -	\$ -	\$ -
Due to other funds	-	-	4,218
Due to other governments	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	4,218
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
	<hr/>	<hr/>	<hr/>
FUND BALANCES (DEFICITS)			
Restricted	56,035	-	-
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances (deficits)	56,035	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 56,035	\$ -	\$ 4,218
	<hr/>	<hr/>	<hr/>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2021**

	Elementary and Secondary Relief - Digital Equity Formula Grant	Elementary and Secondary School Emergency Relief Grant	Adult Education - Coronavirus Relief Fund (CURES)	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 93,316
Due from other governments	5,549	1,537	-	148,349
Total assets	\$ 5,549	\$ 1,537	\$ -	\$ 241,665
LIABILITIES				
Salary and benefits payable	\$ -	\$ -	\$ -	\$ 39,610
Due to other funds	5,549	1,537	-	55,401
Due to other governments	-	-	-	90,619
Total liabilities	5,549	1,537	-	185,630
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	9,314
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	56,035
Unassigned	-	-	-	(9,314)
Total fund balances (deficits)	-	-	-	46,721
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 5,549	\$ 1,537	\$ -	\$ 241,665

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2021**

	<u>ROE/ISC Operations</u>	<u>Truants Alternative/ Optional Education</u>	<u>Adult Education & Family Literacy</u>
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	122,755	371,723	66,557
Federal sources	-	-	18,629
	<u>122,755</u>	<u>371,723</u>	<u>85,186</u>
Total revenues			
Expenditures:			
Instructional services:			
Salaries and benefits	88,829	266,216	78,450
Purchased services	24,804	89,970	14,950
Supplies and materials	-	-	-
Pension expense	434	13,970	1,084
OPEB expense	688	1,567	16
Intergovernmental:			
Payments to other governmental units	8,000	-	-
Capital outlay	-	-	-
	<u>122,755</u>	<u>371,723</u>	<u>94,500</u>
Total expenditures			
Net change in fund balances	-	-	(9,314)
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,314)</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2021**

	Regional Safe Schools	McKinney Education for Homeless Children	Title II - Teacher Quality - Leadership Grant
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	78,383	-	-
Federal sources	-	509,702	1,278
	<u>78,383</u>	<u>509,702</u>	<u>1,278</u>
Total revenues	<u>78,383</u>	<u>509,702</u>	<u>1,278</u>
Expenditures:			
Instructional services:			
Salaries and benefits	76,000	128,281	-
Purchased services	2,383	51,256	1,278
Supplies and materials	-	22,827	-
Pension expense	-	7,953	-
OPEB expense	-	666	-
Intergovernmental:			
Payments to other governmental units	-	295,441	-
Capital outlay	-	3,278	-
	<u>78,383</u>	<u>509,702</u>	<u>1,278</u>
Total expenditures	<u>78,383</u>	<u>509,702</u>	<u>1,278</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2021**

	Alternative Education Programs - Other	Early Childhood Block Grant	Early Childhood - Governor's Emergency Education Relief Grant
Revenues:			
Local sources	\$ 17,357	\$ -	\$ -
State sources	284	659,935	-
Federal sources	64,732	-	6,404
	<hr/>	<hr/>	<hr/>
Total revenues	82,373	659,935	6,404
	<hr/>	<hr/>	<hr/>
Expenditures:			
Instructional services:			
Salaries and benefits	-	414,886	-
Purchased services	68,363	47,394	3,948
Supplies and materials	9,869	96,557	2,456
Pension expense	-	46,419	-
OPEB expense	-	-	-
Intergovernmental:			
Payments to other governmental units	-	-	-
Capital outlay	699	54,679	-
	<hr/>	<hr/>	<hr/>
Total expenditures	78,931	659,935	6,404
	<hr/>	<hr/>	<hr/>
Net change in fund balances	3,442	-	-
Fund balances, beginning of year	52,593	-	-
	<hr/>	<hr/>	<hr/>
Fund balances (deficits), end of year	\$ 56,035	\$ -	\$ -
	<hr/>	<hr/>	<hr/>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2021**

	Elementary and Secondary Relief - Digital Equity Formula Grant	Elementary and Secondary School Emergency Relief Grant	Adult Education - Coronavirus Relief Fund (CURES)	Total
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ 17,357
State sources	-	-	-	1,299,637
Federal sources	34,824	4,127	8,146	647,842
Total revenues	<u>34,824</u>	<u>4,127</u>	<u>8,146</u>	<u>1,964,836</u>
Expenditures:				
Instructional services:				
Salaries and benefits	-	-	-	1,052,662
Purchased services	5,161	3,075	-	312,582
Supplies and materials	17,142	1,052	4,951	154,854
Pension expense	-	-	-	69,860
OPEB expense	-	-	-	2,937
Intergovernmental:				
Payments to other governmental units	-	-	-	303,441
Capital outlay	12,521	-	3,195	74,372
Total expenditures	<u>34,824</u>	<u>4,127</u>	<u>8,146</u>	<u>1,970,708</u>
Net change in fund balances	-	-	-	(5,872)
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,593</u>
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,721</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS
For the year ended June 30, 2021**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 122,755	\$ 122,755	\$ 122,755
Total revenues	122,755	122,755	122,755
Expenditures:			
Salaries and benefits	89,952	89,952	88,829
Purchased services	24,803	24,803	24,804
Pension expense	-	-	434
OPEB expense	-	-	688
Intergovernmental:			
Payments to other governmental units	8,000	8,000	8,000
Total expenditures	122,755	122,755	122,755
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
For the year ended June 30, 2021**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 371,723	\$ 371,723	\$ 371,723
Total revenues	371,723	371,723	371,723
Expenditures:			
Salaries and benefits	281,754	281,754	266,216
Purchased services	89,969	89,969	89,970
Pension expense	-	-	13,970
OPEB expense	-	-	1,567
Total expenditures	371,723	371,723	371,723
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION & FAMILY LITERACY
For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 66,557	\$ 66,557	\$ 66,557
Federal sources	27,943	27,943	18,629
	94,500	94,500	85,186
Expenditures:			
Salaries and benefits	79,550	79,550	78,450
Purchased services	14,000	14,000	14,950
Supplies and materials	950	950	-
Pension expense	-	-	1,084
OPEB expense	-	-	16
	94,500	94,500	94,500
Net change in fund balances	\$ -	\$ -	(9,314)
Fund balance, beginning of year			-
Fund balance (deficit), end of year			\$ (9,314)

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS
For the year ended June 30, 2021**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 78,383	\$ 78,383	\$ 78,383
Total revenues	78,383	78,383	78,383
Expenditures:			
Salaries and benefits	76,000	76,000	76,000
Purchased services	2,383	2,383	2,383
Total expenditures	78,383	78,383	78,383
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
MCKINNEY EDUCATION FOR HOMELESS CHILDREN – PROJECT YEAR 2020
For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 361,945	\$ 361,945	\$ 105,427
Total revenues	361,945	361,945	105,427
Expenditures:			
Salaries and benefits	58,757	73,589	20,570
Purchased services	16,740	5,452	35,094
Supplies and materials	11,989	8,690	13,913
Pension expense	-	-	1,436
OPEB expense	-	-	120
Intergovernmental:			
Payments to other governmental units	274,459	273,614	31,016
Capital outlay	-	600	3,278
Total expenditures	361,945	361,945	105,427
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, August 31, 2020			\$ -

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
MCKINNEY EDUCATION FOR HOMELESS CHILDREN – PROJECT YEAR 2021
For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 361,945	\$ 564,214	\$ 404,275
Total revenues	361,945	564,214	404,275
Expenditures:			
Salaries and benefits	67,221	75,510	107,711
Purchased services	10,515	42,757	16,162
Supplies and materials	8,250	3,745	8,914
Pension expense	-	-	6,517
OPEB expense	-	-	546
Intergovernmental:			
Payments to other governmental units	274,459	442,202	264,425
Capital outlay	1,500	-	-
Total expenditures	361,945	564,214	404,275
Net change in fund balances	\$ -	\$ -	-
Fund balance, September 1, 2020			-
Fund balance, end of year			\$ -

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE II – TEACHER QUALITY – LEADERSHIP GRANT
For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 1,278	\$ 1,278	\$ 1,278
Expenditures:			
Purchased services	<u>1,278</u>	<u>1,278</u>	<u>1,278</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
EARLY CHILDHOOD BLOCK GRANT – PROJECT YEAR 2020
For the year ended June 30, 2021**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 702,000	\$ 702,000	\$ 128,535
Total revenues	702,000	702,000	128,535
Expenditures:			
Salaries and benefits	563,179	479,206	-
Purchased services	98,000	65,612	2,783
Supplies and materials	35,821	103,025	78,298
Capital outlay	5,000	54,157	47,454
Total expenditures	702,000	702,000	128,535
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
EARLY CHILDHOOD BLOCK GRANT – PROJECT YEAR 2021
For the year ended June 30, 2021**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 697,100	\$ 531,400	\$ 531,400
Total revenues	697,100	531,400	531,400
Expenditures:			
Salaries and benefits	583,888	461,306	414,886
Purchased services	79,207	45,342	44,611
Supplies and materials	23,705	17,452	18,259
Pension expense	-	-	46,419
Capital outlay	10,300	7,300	7,225
Total expenditures	697,100	531,400	531,400
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
EARLY CHILDHOOD – GOVERNOR’S EMERGENCY EDUCATION RELIEF GRANT
For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 6,404	\$ 6,404	\$ 6,404
Total revenues	6,404	6,404	6,404
Expenditures:			
Purchased services	6,000	3,513	3,948
Supplies and materials	404	2,891	2,456
Total expenditures	6,404	6,404	6,404
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ELEMENTARY AND SECONDARY RELIEF –
DIGITAL EQUITY FORMULA GRANT
For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 34,824	\$ 34,824	\$ 34,824
Total revenues	34,824	34,824	34,824
Expenditures:			
Purchased services	5,000	5,000	5,161
Supplies and materials	19,824	18,024	17,142
Capital outlay	10,000	11,800	12,521
Total expenditures	34,824	34,824	34,824
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ELEMENTARY AND SECONDARY SCHOOL
EMERGENCY RELIEF GRANT
For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 11,624	\$ 11,624	\$ 4,127
Total revenues	11,624	11,624	4,127
Expenditures:			
Purchased services	4,500	4,500	3,075
Supplies and materials	7,124	7,124	1,052
Total expenditures	11,624	11,624	4,127
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION – CORONAVIRUS RELIEF FUND (CURES)
For the year ended June 30, 2021**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 8,146	\$ 8,146	\$ 8,146
Total revenues	8,146	8,146	8,146
Expenditures:			
Supplies and materials	5,646	4,646	4,951
Capital outlay	2,500	3,500	3,195
Total expenditures	8,146	8,146	8,146
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2021**

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 51,392	\$ 36,229	\$ 87,621
Accounts receivable	40	-	40
Due from other governments	-	135	135
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 51,432</u>	<u>\$ 36,364</u>	<u>\$ 87,796</u>
FUND BALANCES			
Restricted	<u>\$ 51,432</u>	<u>\$ 36,364</u>	<u>\$ 87,796</u>
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>\$ 51,432</u>	<u>\$ 36,364</u>	<u>\$ 87,796</u>

**BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 3**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2021**

	General Education Development	Bus Driver Training	Total
Revenues:			
Local sources	\$ 2,847	\$ 7,565	\$ 10,412
State sources	-	1,506	1,506
	<hr/>	<hr/>	<hr/>
Total revenues	2,847	9,071	11,918
	<hr/>	<hr/>	<hr/>
Expenditures:			
Purchased services	10	8,332	8,342
	<hr/>	<hr/>	<hr/>
Total expenditures	10	8,332	8,342
	<hr/>	<hr/>	<hr/>
Net change in fund balances	2,837	739	3,576
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	48,595	35,625	84,220
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 51,432	\$ 36,364	\$ 87,796
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>