

**Macon and Piatt
Counties
Regional Office of
Education No. 39**

FINANCIAL AUDIT
(In Accordance with the
Uniform Guidance)

**FOR THE YEAR ENDED
JUNE 30, 2022**

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

Macon and Piatt Counties Regional Office of Education No. 39
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**Macon and Piatt Counties Regional Office of Education No. 39
Officials**

Regional Superintendent
(October 1, 2022 to current)

Ms. Jill Reedy

Regional Superintendent
(During the audit period through September 30, 2022)

Mr. Matthew Snyder

Assistant Regional Superintendent
(October 1, 2022 to current)

Ms. Nancy Brodbeck

Assistant Regional Superintendent
(During the audit period through September 30, 2022)

Ms. Jill Reedy

Office is located at:

1690 Huston Drive
Decatur, Illinois 62526

**Macon and Piatt Counties Regional Office of Education No. 39
Compliance Report Summary**

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

AUDITOR’S REPORT

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

SUMMARY OF AUDIT FINDINGS

| <u>Number of</u> | <u>This Audit</u> | <u>Prior Audit</u> |
|---|--------------------------|---------------------------|
| Audit findings | 7 | 5 |
| Repeated audit findings | 4 | 4 |
| Prior recommendations implemented or not repeated | 1 | - |

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> | <u>Finding Type</u> |
|---|--------------------|---|--|
| <i>Findings (Government Auditing Standards)</i> | | | |
| 2022-001 | 16 | Controls over Financial Statement Preparation | Material Weakness |
| 2022-002 | 18 | Controls over Grants Compliance | Noncompliance |
| 2022-003 | 20 | Delay of Audit | Noncompliance |
| 2022-004 | 22 | Controls over Review of Journal Entries | Significant Deficiency |
| <i>Findings and Questioned Costs (Federal Compliance)</i> | | | |
| 2022-002 | 18 | Controls over Grants Compliance | Noncompliance |
| 2022-005 | 23 | Controls over Allowable Costs and Costs Principles | Noncompliance and Significant Deficiency |
| 2022-006 | 25 | Controls over Subrecipient Monitoring | Noncompliance and Significant Deficiency |
| 2022-007 | 27 | Controls over Preparation of Schedule of Expenditures of Federal Awards | Noncompliance and Significant Deficiency |
| <i>Prior Audit Findings Not Repeated (Government Auditing Standards)</i> | | | |
| 2021-004 | 37 | Controls over Cash | Material Weakness |
| <i>Prior Audit Findings Not Repeated (Federal Compliance)</i> | | | |

None.

**Macon and Piatt Counties Regional Office of Education No. 39
Compliance Report Summary**

EXIT CONFERENCE

The Macon and Piatt Counties Regional Office of Education No. 39 waived an exit conference in a correspondence from Ms. Jill Reedy, Regional Superintendent, on November 7, 2023.

Macon and Piatt Counties Regional Office of Education No. 39
Financial Statement Report Summary

The audit of the accompanying basic financial statements of the Macon and Piatt Counties Regional Office of Education No. 39 was performed by Roth & Co., LLP.

Based on their audit, the auditors expressed an unmodified opinion on the Macon and Piatt Counties Regional Office of Education No. 39's basic financial statements.

INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Audit of the Financial Statements

Opinions

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Macon and Piatt Counties Regional Office of Education No. 39, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Macon and Piatt Counties Regional Office of Education No. 39's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Macon and Piatt Counties Regional Office of Education No. 39, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Macon and Piatt Counties Regional Office of Education No. 39, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Macon and Piatt Counties Regional Office of Education No. 39's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Macon and Piatt Counties Regional Office of Education No. 39's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Macon and Piatt Counties Regional Office of Education No. 39's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund – Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, Illinois Municipal Retirement Fund – Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois – Schedule of 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, Teachers' Health Insurance Security Fund – Schedule of Employer's Proportionate Share of the Collective Net OPEB Liability, Other Post Employment Benefits – Health Insurance – Schedule of Employer Contributions, and Other Post Employment Benefits – Health Insurance – Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 97 through 105 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Macon and Piatt Counties Regional Office of Education No. 39's basic financial statements. The combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023 on our consideration of the Macon and Piatt Counties Regional Office of Education No. 39’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 Macon and Piatt Counties Regional Office of Education No. 39’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Macon and Piatt Counties Regional Office of Education No. 39’s internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
December 15, 2023





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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Macon and Piatt Counties Regional Office of Education No. 39, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Macon and Piatt Counties Regional Office of Education No. 39’s basic financial statements, and have issued our report thereon dated December 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Macon and Piatt Counties Regional Office of Education No. 39’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Macon and Piatt Counties Regional Office of Education No. 39’s internal control. Accordingly, we do not express an opinion on the effectiveness of Macon and Piatt Counties Regional Office of Education No. 39’s internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-004, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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

corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2022-004 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Macon and Piatt Counties Regional Office of Education No. 39's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedules of Findings and Questioned Costs as items 2022-002 and 2022-003.

Macon and Piatt Counties Regional Office of Education No. 39's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Macon and Piatt Counties Regional Office of Education No. 39's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Macon and Piatt Counties Regional Office of Education No. 39's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Macon and Piatt Counties Regional Office of Education No. 39'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 Macon and Piatt Counties Regional Office of Education No. 39's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
December 15, 2023





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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

As Special Assistant Auditors for the Auditor General, we have audited the Macon and Piatt Counties Regional Office of Education No. 39's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Macon and Piatt Counties Regional Office of Education No. 39's major federal programs for the year ended June 30, 2022. The Macon and Piatt Counties Regional Office of Education No. 39's major federal programs are identified in the summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Macon and Piatt Counties Regional Office of Education No. 39's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Macon and Piatt Counties Regional Office of Education No. 39 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Macon and Piatt Counties Regional Office of Education No. 39's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Macon and Piatt Counties Regional Office of Education No. 39's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Macon and Piatt Counties Regional Office of Education No. 39's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Macon and Piatt Counties Regional Office of Education No. 39's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Macon and Piatt Counties Regional Office of Education No. 39's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Macon and Piatt Counties Regional Office of Education No. 39's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Macon and Piatt Counties Regional Office of Education No. 39's internal control over compliance. Accordingly, no such opinion is expressed.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Instances of Noncompliance

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-002, and 2022-005 through 2022-007. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Macon and Piatt Counties Regional Office of Education No. 39's responses to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Macon and Piatt Counties Regional Office of Education No. 39's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Corrective Action Plan

Macon and Piatt Counties Regional Office of Education No. 39 is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Macon and Piatt Counties Regional Office of Education No. 39's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of



compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2022-005 to 2022-007 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Internal Control Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Macon and Piatt Counties Regional Office of Education No. 39's responses to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The Macon and Piatt Counties Regional Office of Education No. 39's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Corrective Action Plan

Macon and Piatt Counties Regional Office of Education No. 39 is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Macon and Piatt Counties Regional Office of Education No. 39's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

SIGNED ORIGINAL ON FILE

Chicago, Illinois
December 15, 2023



Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section I – Summary of Auditor’s Results
For the Year Ended June 30, 2022

Financial Statements in Accordance with GAAP

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? ✓ Yes No
 Significant deficiency(ies) identified? ✓ Yes None reported

Noncompliance material to financial statements noted? ✓ Yes No

Federal Awards

Internal control over major federal programs:
 Material weakness(es) identified? Yes ✓ No
 Significant deficiency(ies) identified? ✓ Yes None reported

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

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

Identification of major federal programs:

| <u>Assistance Listing Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-------------------------------------|--|
| 84.425 | COVID 19 – ARP-Social Emotional Learning and Trauma Response |
| 84.425D | COVID 19 – Elementary/Secondary Relief - Digital Equity |
| 84.425D | COVID 19 – Elementary and Secondary School Emergency Relief (ESSER) Fund |
| 84.425U | COVID 19 – American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) |
| 84.425R | COVID 19 – Coronavirus Response and Relief Supplemental Appropriation Act, 2021 - Emergency Assistance to Non-Public Schools |
| 84.425W | COVID-19 – American Rescue Plan - Elementary and Secondary School Emergency Relief-Homeless Children and Youth |

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

Auditee qualified as low-risk auditee Yes ✓ No

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2022

FINDING 2022-001 - Controls over Financial Statement Preparation (Repeat from Findings 21-001, 20-001, 19-001 and 18-001)

CRITERIA/SPECIFIC REQUIREMENT:

The School Code 105 ILCS 5/2-3.17a allows a Regional Office of Education or Educational Service Center to utilize a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting to prepare financial statements for audit. The Regional Office of Education No. 39 (ROE) has chosen to utilize the GAAP basis of accounting for financial statement reporting. The ROE is required to maintain a system of controls over the preparation of financial statements in accordance with its selected basis of accounting.

GASB Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

CONDITION:

The ROE did not have sufficient internal controls over the financial reporting process. The financial statements required material audit adjustments in order to ensure the balances were accurate for the basis of accounting selected for financial statement preparation. Specifically, we noted the following adjustments:

- Unavailable revenue totaling \$106,153 related to revenues collected beyond 60 days from the reporting date was not recorded.
- Receivables of \$41,239 were incorrectly recorded.
- Variances of interfund accounts amounting to \$3,000 were not identified.
- Unearned revenues totaling \$12,092 were not recorded.
- Noncapitalizable assets of \$76,779 were incorrectly capitalized.
- Additional depreciation expense amounting to \$2,445 was not recognized.

Additionally, the financial statements submitted for audit did not include the impact of the new lease accounting in accordance with GASB Statement No. 87. As a result, the government-wide financial statements submitted did not report the right to use assets and lease liabilities amounting to \$75,618 and \$76,389, respectively. In addition, expenditures representing purchased services, principal lease payments, and lease interest expenses totaling \$62,340 were not reported in the Governmental Funds' statement of revenues, expenditures, and changes in fund balances.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2022

FINDING 2022-001 - Controls over Financial Statement Preparation (Repeat from Findings 21-001, 20-001, 19-001 and 18-001) (Continued)

EFFECT:

The ROE's management or its employees, in the normal course of performing their assigned functions, did not prevent or detect financial statement misstatements in a timely manner.

CAUSE:

ROE management indicated the above exceptions were due to oversight.

RECOMMENDATION:

As part of internal control over the preparation of financial statements, the ROE should implement comprehensive preparation procedures to ensure the financial statements and disclosures are complete and accurate. Additionally, ROE management should consider if changing to the cash or modified cash basis would be allowable or beneficial to the ROE and users of the ROE financial statements.

MANAGEMENT'S RESPONSE:

The ROE agrees with this finding.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2022

FINDING 2022-002 - Controls over Grants Compliance (Repeat from Findings 21-002, 20-002, and 19-002)

| | |
|---|--|
| Federal Agency: | Department of Education |
| Assistance Listing Numbers: | 84.425; 84.425D; 84.425U |
| Program Names and Award Numbers: | Education Stabilization Fund ARP- Social Emotional Learning and Trauma Response (586-18-2574) Elementary/Secondary Relief - Digital Equity (586-43-2483) Elementary and Secondary School Emergency Relief (ESSER) Fund (586-62-2402) American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) (586-62-2578) |
| Program Expenditures: | \$600,789; \$24,652; \$9,922; \$17,700 |
| Questioned Costs: | None |

CRITERIA/SPECIFIC REQUIREMENT:

The grant award agreement between the Regional Office of Education No. 39 (ROE) and Illinois State Board of Education requires the ROE to complete and submit expenditure reports quarterly and performance reports semi-annually. The quarterly expenditure reports are due 20 calendar days after the end of the reporting quarter while the semi-annual performance reports are due 30 calendar days after the reporting semi-annual period. The ROE is also required to submit an annual performance report describing how the ROE used the awarded funds during the performance period. The annual reports are due March 17, 2023.

The Code of Federal Regulations (Code) (2 CFR. §200.303 (a)) requires the ROE to establish and maintain effective internal control over the federal award to provide reasonable assurance the ROE is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure compliance with grant reporting requirements.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2022

**FINDING 2022-002 - Controls over Grants Compliance (Repeat from Findings 21-002, 20-002,
and 19-002)**

CONDITION:

The ROE did not submit or timely submit the required reports to the Illinois State Board of Education in compliance with the grant award agreement.

CONTEXT:

During testing of the ROE's compliance with the grant reporting requirements, we noted the following:

- Thirty four of 38 (89%) quarterly expenditure reports were submitted 20 to 342 days late.
- Three of 38 (8%) quarterly expenditure reports were not submitted.
- Four of six (67%) semi-annual reports were not submitted.
- One of six (17%) semi-annual report was submitted 158 days late.
- Three of three (100%) annual reports were not submitted.

EFFECT:

Failure to meet grant reporting requirements is a noncompliance with the related grant agreement and could result in loss of grant funding in future years.

CAUSE:

ROE management indicated required reports were not submitted or timely submitted due to oversight and competing priorities.

RECOMMENDATION:

We recommend the ROE implement procedures to ensure adherence to the grant reporting requirements.

MANAGEMENT'S RESPONSE:

The ROE agrees with this finding. Previous management did not monitor grant compliance.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2022

FINDING 2022-003 – Delay of Audit (Repeat from Findings 21-003, 20-003, and 19-003)

CRITERIA/SPECIFIC REQUIREMENT:

Regional Office of Education No. 39 is subject to 105 ILCS 5/2.3.17a which requires the Auditor General's office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Government Auditing Standards. A Regional Office of Education or Educational Service Center is to utilize a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for audit.

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

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

CONDITION:

The Regional Office of Education No. 39 (ROE) did not provide completed financial statements in auditable form by the August 31, 2022, deadline. The preliminary draft was provided to the auditors on August 10, 2023.

EFFECT:

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

CAUSE:

The Fiscal Year 2020 and 2021 audits were late resulting in the delay of the Fiscal Year 2022 audit. Previous management was not monitoring this timeline, which led to the audits falling behind.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2022

FINDING 2022-003 – Delay of Audit (Repeat from Findings 21-003, 20-003, and 19-003)
(Continued)

RECOMMENDATION:

The ROE should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c)(2). Additionally, ROE management should consider if changing to the cash basis would be beneficial to the ROE and users of its financial statements. These financial statements need to be presented to the Auditor General’s independent auditors for audit by the August 31 deadline.

MANAGEMENT’S RESPONSE:

The ROE agrees with this finding. Previous management did not monitor the new bookkeeper’s need for training and the difficult transition to a new online accounting software system, leading to delays in audits.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2022

FINDING 2022-004 – Controls over Review of Journal Entries (Repeat from Finding 21-005)

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Office of Education No. 39 (ROE) is responsible for establishing and maintaining an internal control system over journal entries to prevent errors or fraud. In addition, adequate controls over compliance with laws, regulations, and grant agreements require supervisory review of expenditures charged to grant programs.

CONDITION:

The ROE did not have adequate controls over review of journal entries. During our review of journal entries, we noted 3 of 15 (20%) journal entries tested lacked the necessary documentation to indicate the entry had been reviewed and approved by the Regional Superintendent or Assistant Regional Superintendent.

EFFECT:

Erroneous or fraudulent journal entries could be made that may not be detected or corrected by the ROE employees in the normal course of their assigned duties.

CAUSE:

ROE management indicated this was due to oversight.

RECOMMENDATION:

The Regional Superintendent or Assistant Regional Superintendent should formally review and approve all journal entries, along with supporting documentation, prior to the entries being posted to the accounting records.

MANAGEMENT'S RESPONSE:

The ROE agrees with this finding. Previous management did not review journal entries.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2022

FINDING 2022-005 – Controls over Allowable Costs and Costs Principles

| | |
|---|---|
| Federal Agency: | Department of Education |
| Assistance Listing Numbers: | 84.425;84.425R |
| Program Names and Award Numbers: | Education Stabilization Fund COVID-19 – ARP - Social Emotional Learning and Trauma Response COVID-19 – Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools |
| Program Expenditures: | \$600,789; \$148,632 |
| Questioned Costs: | None |

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Office of Education No. 39 (ROE) procedure requires the Regional Superintendent or the Program Director to review and approve invoices and requisitions before forwarding to the business office for processing.

The Code (2 CFR §200.303 (a)) requires the ROE to establish and maintain effective internal control over the federal award to provide reasonable assurance the ROE is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure expenditures under Federal awards are supported, reviewed, and approved.

CONDITION:

The ROE did not ensure costs or expenditures were adequately documented, reviewed, and approved to ensure allowability under the federal award.

CONTEXT:

During testing of 60 expenditures totaling \$471,516, we noted eight (13%) expenditures were not signed by the Program Director or Regional Superintendent to indicate review and approval of the expenditures.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2022

FINDING 2022-005 – Controls over Allowable Costs and Costs Principles (Continued)

EFFECT:

Inadequate controls of expenditures may result in unallowable costs charged to the Federal award.

CAUSE:

Expenditures were not signed by the Regional Superintendent or Program Director due to oversight.

RECOMMENDATION:

We recommend the ROE ensures all expenditures are properly supported, reviewed, and approved prior to payment.

MANAGEMENT'S RESPONSE:

The ROE agrees with this finding. However, according to the ROE Employee Handbook (Fiscal Policies, page 16), updated and implemented in March 2021, monthly bills such as rent, phone, etc. did not require a requisition and were signed by the Business Manager. Reoccurring payments were approved with the contract lease agreement based on budgeted amounts.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2022

FINDING 2022-006 – Controls over Subrecipient Monitoring

| | |
|---|---|
| Federal Agency: | Department of Education |
| Assistance Listing Numbers: | 84.425 |
| Program Names and Award Numbers: | Education Stabilization Fund ARP - Social Emotional Learning and Trauma Response |
| Program Expenditures: | \$600,789 |
| Questioned Costs: | None |

CRITERIA/SPECIFIC REQUIREMENT:

The Code of Federal Regulations (Code) (2 CFR § 200.332 (a)) requires the Regional Office of Education No. 39 (ROE) to ensure that every subaward is clearly identified to the subrecipient as a subaward and include information to comply with federal statutes, regulations, and the terms and conditions of the award. The required information includes the subrecipient’s name and unique entity identifier, assistance listing number, federal award date, federal awarding agency, etc. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.

The Code (2 CFR § 200.332 (f)) requires the ROE to verify every subrecipient is audited as required by Subpart F when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR § 200.501.

The Code (2 CFR § 200.332 (d)) requires the ROE to monitor the activities of the subrecipient to ensure the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved.

The Code (2 CFR §200.303 (a)) requires the ROE to establish and maintain effective internal control over the federal award to provide reasonable assurance the ROE is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures over subrecipient monitoring.

CONDITION:

The ROE did not have adequate controls over subrecipient monitoring in compliance with the Code.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2022

FINDING 2022-006 – Controls over Subrecipient Monitoring (Continued)

CONTEXT:

During our testing of four subrecipients, we noted the following:

- The ROE did not communicate the required federal award information to all (100%) subrecipients to comply with federal statutes, regulations, and the terms and conditions at the start of the award. All the subaward agreements were signed and became effective after the start date of the grant.
- The ROE did not verify whether subrecipients were required to be audited or not.
- The ROE did not have written policies and procedures for subrecipient monitoring and could not provide evidence the ROE monitored its subrecipients during the audit period.

EFFECT:

Lack of controls over subrecipient monitoring may result in subrecipients not properly administering the federal programs in accordance with federal regulations.

CAUSE:

ROE management indicated this was due to oversight and staffing limitations.

RECOMMENDATION:

We recommend the ROE establish and implement procedures over subrecipient monitoring.

MANAGEMENT'S RESPONSE:

The ROE agrees with this finding.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2022

FINDING 2022-007 – Controls over Preparation of Schedule of Expenditures of Federal Awards

Federal Agency: Department of Education
Assistance Listing Numbers: 84.425; 84.425D; 84.425U;84.425W;84.425R;84.196A;10.555
Program Names and Award Numbers: Education Stabilization Fund
ARP - Social Emotional Learning and Trauma Response
Elementary/Secondary Relief - Digital Equity
Elementary and Secondary School Emergency Relief (ESSER) Fund
American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)
American Rescue Plan – Elementary and Secondary School Emergency Relief - Homeless Children and Youth
Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools

Other Programs
McKinney Education for Homeless Children
National School Lunch Program

Program Expenditures: \$600,789; \$24,652; \$9,922; \$17,700; \$6,315; \$148,632; \$35,077; \$614
Questioned Costs: None

CRITERIA/SPECIFIC REQUIREMENT:

The Code of Federal Regulations (Code) (2 CFR §200.510 (b)), establishes criteria and requirements related to the preparation of the schedule of expenditures of federal awards.

The Code (2 CFR §200.303 (a)) requires Regional Office of Education No. 39 (ROE) to establish and maintain effective internal control over the federal award to provide reasonable assurance the ROE is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures over preparation of the schedule of expenditures of federal awards.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2022

FINDING 2022-007 – Controls over Preparation of Schedule of Expenditures of Federal Awards (Continued)

CONDITION:

The ROE did not have sufficient internal controls over the preparation of the Schedule of Expenditures of Federal Awards (SEFA) to ensure all federal expenditures during the fiscal year were reported and information in the SEFA was accurately reported.

CONTEXT:

During our review of the SEFA, we noted the following:

- Program title descriptions were incorrect, and COVID-19-related grants were not properly identified in the program title.
- Assistance listing numbers and pass-through grant numbers were incorrectly listed.
- Federal expenditures did not match the expenditures in the general ledger.
- Subrecipient expenditures were inappropriately reported on grants that did not actually have subrecipients:
- The Education Stabilization Fund was not specifically categorized in the SEFA and the total federal awards expended for the program was not reported.

The ROE subsequently revised its SEFA to correct these errors.

EFFECT:

Failure to report an accurate SEFA affects the required audit coverage to meet federal requirements and can delay an audit beyond the reporting deadline.

CAUSE:

Management indicated the errors on the SEFA was due to oversight.

RECOMMENDATION:

The ROE should establish and implement internal controls over preparation of the SEFA to ensure accurate reporting.

MANAGEMENT'S RESPONSE:

The ROE agrees with this finding.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2022

INSTANCES OF NONCOMPLIANCE:

- | | |
|----------------------|--|
| Finding No. 2022-002 | Controls over Grants Compliance (Finding details on pages 18 - 19) |
| Finding No. 2022-005 | Controls over Allowable Costs and Costs Principles (Finding details on pages 23 - 24) |
| Finding No. 2022-006 | Controls over Subrecipient Monitoring (Finding details on pages 25 - 26) |
| Finding No. 2022-007 | Controls over Preparation of Schedule of Expenditures of Federal Awards (Finding details on pages 27 - 28) |

SIGNIFICANT DEFICIENCIES:

- | | |
|----------------------|--|
| Finding No. 2022-005 | Controls over Allowable Costs and Costs Principles (Finding details on pages 23 - 24) |
| Finding No. 2022-006 | Controls over Subrecipient Monitoring (Finding details on pages 25 - 26) |
| Finding No. 2022-007 | Controls over Preparation of Schedule of Expenditures of Federal Awards (Finding details on pages 27 - 28) |

MATERIAL WEAKNESSES:

None.

**Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2022**

FINDING 2022-001 - Controls over Financial Statement Preparation (Repeat from Findings 21-001, 20-001, 19-001 and 18-001)

CONDITION:

The ROE did not have sufficient internal controls over the financial reporting process. The financial statements required material audit adjustments in order to ensure the balances were accurate for the basis of accounting selected for financial statement preparation. Specifically, we noted the following adjustments:

- Unavailable revenue totaling \$106,153 related to revenues collected beyond 60 days from the reporting date was not recorded.
- Receivables of \$41,239 were incorrectly recorded.
- Variances of interfund accounts amounting to \$3,000 were not identified.
- Unearned revenues totaling \$12,092 were not recorded.
- Noncapitalizable assets of \$76,779 were incorrectly capitalized.
- Additional depreciation expense amounting to \$2,445 was not recognized.

Additionally, the financial statements submitted for audit did not include the impact of the new lease accounting in accordance with GASB Statement No. 87. As a result, the government-wide financial statements submitted did not report the right to use assets and lease liabilities amounting to \$75,618 and \$76,389, respectively. In addition, expenditures representing purchased services, principal lease payments, and lease interest expenses totaling \$62,340 were not reported in the Governmental Funds' statement of revenues, expenditures, and changes in fund balances.

PLAN:

The ROE will work with their contracted accounting firm to review financial statements to ensure balances are accurate for financial statement presentation.

ANTICIPATED DATE OF COMPLETION:

The anticipated date of completion is December 2023.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2022

**FINDING 2022-002 - Controls over Grants Compliance (Repeat from Findings 21-002, 20-002,
and 19-002)**

CONDITION:

The ROE did not submit or timely submit the required reports to the Illinois State Board of Education.

PLAN:

New ROE management is providing close oversight for the timely submission of grant expenditure and performance reports. The Regional Superintendent has created a shared calendar of submission due dates with the Business Manager and Program Directors. Reminders are sent out via email in advance of the due dates, and then management reviews the grant report submissions in IWAS for accuracy and completion before approving and submitting to ISBE.

ANTICIPATED DATE OF COMPLETION:

This plan was initiated during the new Regional Superintendent's appointment to office in October 2022 and has been fully implemented since January 2023.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2022

FINDING 2022-003 – Delay of Audit (Repeat from Findings 21-003, 20-003, and 19-003)

CONDITION:

The ROE did not provide completed financial statements in auditable form by the August 31, 2022, deadline. The preliminary draft was provided to the auditors on August 10, 2023.

PLAN:

New ROE management is working closely with the Business Manager and their contracted accounting firm to ensure that the office gets back on schedule with the yearly audit deadlines. Upon taking office in October 2022, the Regional Superintendent participated in the completion of the FY21 audit, as well as the FY22 audit. Management is providing close oversight of the Business Manager and offering outside support to ensure materials for the FY23 audit are accurate, complete, and ready for the accounting firm to prepare the financial statements. The ROE is considering changing to a cash basis in the future.

ANTICIPATED DATE OF COMPLETION:

Audit delays and a shortage of qualified accountants and auditors in our area have made getting back on schedule a challenge. However, management anticipates the audit will be back on schedule for FY24.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

**Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2022**

FINDING 2022-004 – Controls over Review of Journal Entries (Repeat from Finding 21-005)

CONDITION:

The ROE did not have adequate controls over review of journal entries. During our review of journal entries, we noted 3 of 15 (20%) journal entries tested lacked the necessary documentation to indicate the entry had been reviewed and approved by the Regional Superintendent or Assistant Regional Superintendent.

PLAN:

Upon taking office in October 2022, new ROE management reviewed past journal entries to provide some oversight to the previous audit year. Management then implemented a requirement for the Business Manager to provide journal entry documentation and rationale to the Regional Superintendent or Assistant Regional Superintendent for review and initialing upon approval, prior to the entries being posted to the accounting records. Management also has access to the online business data system to view and monitor journal entry activity.

ANTICIPATED DATE OF COMPLETION:

This practice was started upon notice of the finding in the FY21 audit and fully implemented in January 2023.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2022

FINDING 2022-005 – Controls over Allowable Costs and Costs Principles

CONDITION:

The ROE did not ensure costs or expenditures were adequately documented, reviewed, and approved to ensure allowability under the federal award.

PLAN:

Past practice and policy during the FY22 audit, allowed for the Business Manager to sign off on purchase orders and requisitions related to monthly, reoccurring bills. New management is working on updated fiscal policies. A new Accounts Payable employee was hired in March 2023 by ROE management and trained by the Business Manager, along with Program Directors, on procedures for expenditures. Procedures have been put into place to ensure that all expenditures are signed by the Program Director or Assistant/Regional Superintendent to indicate review and approval of expenditures. After being signed by a Program Director or Assistant/Regional Superintendent, the expenditure goes to the Business Office where the Business Manager will check for appropriate signatures and will pass on to Accounts Payable for a final check for appropriate signatures and supporting invoices prior to payment.

ANTICIPATED DATE OF COMPLETION:

This was implemented in March 2023.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

**Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2022**

FINDING 2022-006 – Controls over Subrecipient Monitoring

CONDITION:

The ROE did not have adequate controls over subrecipient monitoring in compliance with the Code.

PLAN:

The ROE retroactively conducted monitoring of the subrecipients of the ARP - Social Emotional Learning grant passed through the ISBE. The subrecipients of this grant were all other ROEs in the Area IV hub (ROEs 9, 17, 32, and 54) with funds going out for administration costs. Since it is common knowledge that each ROE is audited annually by the Illinois Auditor General, further audit consideration was unnecessary. The ROE will draft subrecipient monitoring policies and procedures to align with standards. Future monitoring will be scheduled in December 2023.

ANTICIPATED DATE OF COMPLETION:

New policy and procedures implemented partially in FY23 and fully for FY24.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2022

FINDING 2022-007 – Controls over Preparation of Schedule of Expenditures of Federal Awards

CONDITION:

The ROE did not have sufficient internal controls over the preparation of the Schedule of Expenditures of Federal Awards (SEFA) to ensure all federal expenditures during the fiscal year were reported and information in the SEFA was accurately reported.

PLAN:

The ROE will work with their contracted accounting firm to review financial statements, including the schedule of expenditures of federal awards, to ensure program titles, assistance listing numbers and other pertinent information is accurate for financial statement presentation.

ANTICIPATED DATE OF COMPLETION:

The anticipated date of completion is December 2023.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

**Macon and Piatt Counties Regional Office of Education No. 39
Summary Schedule of Prior Findings Not Repeated
For the Year Ended June 30, 2022**

2021-004 Controls over Cash Not Repeated

During the current audit period, audit testing results indicated the Regional Office of Education No. 39 implemented corrective action and all bank reconciliations were prepared and discrepancies were corrected.

BASIC FINANCIAL STATEMENTS

Macon and Piatt Counties Regional Office of Education No. 39
Statement of Net Position
June 30, 2022
Exhibit A

| | Primary Government | | |
|---|----------------------------|-----------------------------|------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 863,616 | \$ 1,787 | \$ 865,403 |
| Investments | 124,628 | - | 124,628 |
| Accounts receivable | 312,542 | - | 312,542 |
| Prepaid expenses | 25,107 | - | 25,107 |
| Internal balances | 139,868 | (139,868) | - |
| Due from other governments | 1,617,145 | 35,714 | 1,652,859 |
| Total current assets | <u>3,082,906</u> | <u>(102,367)</u> | <u>2,980,539</u> |
| Noncurrent assets: | | | |
| Capital assets, net | 84,591 | 411 | 85,002 |
| Right-of-use assets, net | 75,618 | - | 75,618 |
| Net pension asset | 1,166,241 | - | 1,166,241 |
| Total noncurrent assets | <u>1,326,450</u> | <u>411</u> | <u>1,326,861</u> |
| TOTAL ASSETS | <u>4,409,356</u> | <u>(101,956)</u> | <u>4,307,400</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to pensions | 102,868 | - | 102,868 |
| Deferred outflows related to OPEB | 127,013 | - | 127,013 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>229,881</u> | <u>-</u> | <u>229,881</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 221,479 | 1,251 | 222,730 |
| Accrued payroll and benefits | 1,512 | - | 1,512 |
| Accrued interest payable | 185 | - | 185 |
| Due to other governments | 464,870 | - | 464,870 |
| Unearned revenue | 494 | - | 494 |
| Lease payable, current | 60,881 | - | 60,881 |
| Total current liabilities | <u>749,421</u> | <u>1,251</u> | <u>750,672</u> |
| Noncurrent liabilities: | | | |
| Lease payable, net of current | 15,508 | - | 15,508 |
| Net pension liability | 85,604 | - | 85,604 |
| OPEB liabilities | 1,019,539 | - | 1,019,539 |
| Total noncurrent liabilities | <u>1,120,651</u> | <u>-</u> | <u>1,120,651</u> |
| TOTAL LIABILITIES | <u>1,870,072</u> | <u>1,251</u> | <u>1,871,323</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pensions | 1,541,211 | - | 1,541,211 |
| Deferred inflows related to OPEB | 1,077,054 | - | 1,077,054 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>2,618,265</u> | <u>-</u> | <u>2,618,265</u> |
| NET POSITION | | | |
| Net investment in capital assets | 83,820 | 411 | 84,231 |
| Restricted for educational purposes | 1,322,506 | - | 1,322,506 |
| Unrestricted | (1,255,426) | (103,618) | (1,359,044) |
| TOTAL NET POSITION | <u>\$ 150,900</u> | <u>\$ (103,207)</u> | <u>\$ 47,693</u> |

The accompanying notes are an integral part of the financial statements.

Macon and Piatt Counties Regional Office of Education No. 39
Statement of Activities
For the Year Ended June 30, 2022
Exhibit B

| FUNCTIONS/PROGRAMS | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | | |
|--|---------------------|-------------------------|--|----------------------------|-----------------------------|------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Primary Government | | Total |
| | | | | Governmental Activities | Business-Type Activities | |
| Primary government | | | | | | |
| Governmental activities: | | | | | | |
| Instructional services: | | | | | | |
| Salaries and benefits | \$ 2,558,690 | \$ - | \$ 2,353,137 | \$ (205,553) | \$ - | \$ (205,553) |
| Purchased services | 2,250,281 | - | 2,083,899 | (166,382) | - | (166,382) |
| Supplies and materials | 145,278 | - | 117,875 | (27,403) | - | (27,403) |
| Other objects | 110,501 | - | 104,638 | (5,863) | - | (5,863) |
| Pension expense (benefit) | (431,485) | - | - | 431,485 | - | 431,485 |
| OPEB expense (benefit) | (291,568) | - | - | 291,568 | - | 291,568 |
| Capital outlay | 68,379 | - | 98,405 | 30,026 | - | 30,026 |
| Depreciation and amortization | 118,316 | - | - | (118,316) | - | (118,316) |
| Debt service: | | | | | | |
| Interest on leases | 3,103 | - | - | (3,103) | - | (3,103) |
| Administrative: | | | | | | |
| On-behalf payments | 812,494 | - | - | (812,494) | - | (812,494) |
| Total governmental activities | 5,343,989 | - | 4,757,954 | (586,035) | - | (586,035) |
| Business-type activities: | | | | | | |
| Professional development | 72,081 | 79,166 | - | - | 7,085 | 7,085 |
| Total business-type activities | 72,081 | 79,166 | - | - | 7,085 | 7,085 |
| Total primary government | \$ 5,416,070 | \$ 79,166 | \$ 4,757,954 | (586,035) | 7,085 | (578,950) |
| General revenues: | | | | | | |
| Local sources | | | | 728,686 | - | 728,686 |
| On-behalf payments | | | | 812,494 | - | 812,494 |
| Interest | | | | 22,549 | - | 22,549 |
| Total general revenues | | | | 1,563,729 | - | 1,563,729 |
| CHANGE IN NET POSITION | | | | 977,694 | 7,085 | 984,779 |
| NET POSITION, BEGINNING OF YEAR AS RESTATED (SEE NOTE 17) | | | | (826,794) | (110,292) | (937,086) |
| NET POSITION, END OF YEAR | | | | \$ 150,900 | \$ (103,207) | \$ 47,693 |

The accompanying notes are an integral part of the financial statements.

Macon and Piatt Counties Regional Office of Education No. 39
Governmental Funds
Balance Sheet
June 30, 2022
Exhibit C

| | General Fund | Education Fund | Other Nonmajor Special Revenue Funds | Eliminations | Total Governmental Funds |
|---|-------------------------|---------------------------|---|-----------------------|---|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 345,378 | \$ 373,723 | \$ 144,515 | \$ - | \$ 863,616 |
| Investments | 124,628 | - | - | - | 124,628 |
| Accounts receivable | 312,542 | - | - | - | 312,542 |
| Prepaid expenses | 12,000 | 13,107 | - | - | 25,107 |
| Due from other funds | 1,227,838 | - | - | (1,087,970) | 139,868 |
| Due from other governments | 224,615 | 1,392,530 | - | - | 1,617,145 |
| TOTAL ASSETS | 2,247,001 | 1,779,360 | 144,515 | (1,087,970) | 3,082,906 |
| LIABILITIES | | | | | |
| Accounts payable | 6,709 | 212,993 | 1,777 | - | 221,479 |
| Accrued payroll and benefits | 1,512 | - | - | - | 1,512 |
| Due to other funds | - | 1,087,531 | 439 | (1,087,970) | - |
| Due to other governments | - | 464,870 | - | - | 464,870 |
| Unearned revenue | 494 | - | - | - | 494 |
| TOTAL LIABILITIES | 8,715 | 1,765,394 | 2,216 | (1,087,970) | 688,355 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | 164,181 | 1,107,577 | - | - | 1,271,758 |
| FUND BALANCES (DEFICIT) | | | | | |
| Restricted | - | 481 | 144,515 | - | 144,996 |
| Assigned | 5,834 | - | - | - | 5,834 |
| Unassigned | 2,068,271 | (1,094,092) | (2,216) | - | 971,963 |
| Total fund balance (deficit) | 2,074,105 | (1,093,611) | 142,299 | - | 1,122,793 |
| TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT) | \$ 2,247,001 | \$ 1,779,360 | \$ 144,515 | \$ (1,087,970) | \$ 3,082,906 |

The accompanying notes are an integral part of the financial statements.

Macon and Piatt Counties Regional Office of Education No. 39
Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022
Exhibit D

| | | |
|---|--------------------|-----------------------|
| Total fund balances - governmental funds | \$ | 1,122,793 |
| <p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p> | | |
| <p>Capital assets and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p> | | |
| Capital assets, net | \$ 84,591 | |
| Right-of-use assets, net | <u>75,618</u> | 160,209 |
| <p>Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are not considered "available" revenues and are deferred inflows of resources in the governmental funds.</p> | | |
| | | 1,271,758 |
| <p>Noncurrent assets related to pension benefits are collected but not payable in the current period and therefore, are not reported in the governmental funds.</p> | | |
| Net pension asset | | 1,166,241 |
| <p>Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds:</p> | | |
| Deferred outflows of resources | 229,881 | |
| Deferred inflows of resources | <u>(2,618,265)</u> | (2,388,384) |
| <p>Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p> | | |
| Accrued interest payable | (185) | |
| Lease payable | (76,389) | |
| Net pension liability | (85,604) | |
| OPEB liabilities | <u>(1,019,539)</u> | <u>(1,181,717)</u> |
| Net position of governmental activities | \$ | <u><u>150,900</u></u> |

The accompanying notes are an integral part of the financial statements.

Macon and Piatt Counties Regional Office of Education No. 39
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022
Exhibit E

| | General Fund | Education Fund | Other Nonmajor Funds | Total Governmental Funds |
|--|-------------------------|---------------------------|-------------------------------------|---|
| REVENUES | | | | |
| Local sources | \$ 666,927 | \$ - | \$ 61,759 | \$ 728,686 |
| State sources | 1,194,135 | 2,502,766 | 1,359 | 3,698,260 |
| Federal sources | 614 | 119,886 | - | 120,500 |
| On-behalf payments | 313,587 | - | - | 313,587 |
| Interest | 22,549 | - | - | 22,549 |
| Total revenues | <u>2,197,812</u> | <u>2,622,652</u> | <u>63,118</u> | <u>4,883,582</u> |
| EXPENDITURES | | | | |
| Instructional services: | | | | |
| Salaries and benefits | 1,506,172 | 1,025,278 | 37,277 | 2,568,727 |
| Purchased services | 263,301 | 1,976,090 | 10,890 | 2,250,281 |
| Supplies and materials | 35,685 | 107,803 | 1,790 | 145,278 |
| Other objects | 78 | 108,014 | 2,409 | 110,501 |
| Pension expense | 84,469 | 51,813 | 1,819 | 138,101 |
| OPEB expense | 5,165 | 1,992 | - | 7,157 |
| On-behalf payments | 313,587 | - | - | 313,587 |
| Capital outlay | 5,469 | 92,936 | - | 98,405 |
| Debt service: | | | | |
| Repayment of long term lease payable | 59,422 | - | - | 59,422 |
| Interest on leases | 2,918 | - | - | 2,918 |
| Total expenditures | <u>2,276,266</u> | <u>3,363,926</u> | <u>54,185</u> | <u>5,694,377</u> |
| NET CHANGE IN FUND BALANCE | (78,454) | (741,274) | 8,933 | (810,795) |
| FUND BALANCES (DEFICITS), BEGINNING OF YEAR AS RESTATED (SEE NOTE 17) | <u>2,152,559</u> | <u>(352,337)</u> | <u>133,366</u> | <u>1,933,588</u> |
| FUND BALANCES (DEFICITS), END OF YEAR | <u>\$ 2,074,105</u> | <u>\$ (1,093,611)</u> | <u>\$ 142,299</u> | <u>\$ 1,122,793</u> |

The accompanying notes are an integral part of the financial statements.

Macon and Piatt Counties Regional Office of Education No. 39
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2022
Exhibit F

| | | |
|--|------------------|--------------------------|
| Net change in fund balances | | \$ (810,795) |
| <p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> | | |
| <p>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 and amortization expense.</p> | | |
| Capital outlay | \$ 30,026 | |
| Depreciation expense | (58,123) | |
| Amortization expense | <u>(60,193)</u> | (88,290) |
| <p>Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are not considered "available" revenues and are deferred inflows of resources in the governmental funds.</p> | | |
| Current year unavailable revenue | 1,271,758 | |
| Prior year unavailable revenue | <u>(332,565)</u> | 939,193 |
| <p>The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.</p> | | |
| Principal payments on lease payable | 59,422 | |
| Interest on leases | <u>(185)</u> | 59,237 |
| <p>The current year pension and OPEB contributions are reported as expenditures in the governmental funds, but reported as deferred outflows of resources in the Statement of Net Position.</p> | | |
| Pension contributions | 138,101 | |
| OPEB contributions | <u>7,157</u> | 145,258 |
| <p>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.</p> | | |
| Pension expense (benefit) | 431,485 | |
| OPEB expense (benefit) | 291,568 | |
| Salaries | <u>10,038</u> | <u>733,091</u> |
| Change in net position of governmental activities | | <u><u>\$ 977,694</u></u> |

The accompanying notes are an integral part of the financial statements.

Macon and Piatt Counties Regional Office of Education No. 39
Proprietary Funds
Statement of Net Position
June 30, 2022
Exhibit G

| | Business-type Activities | | | Total |
|----------------------------------|---------------------------------|-----------------------------------|--------------------------|---------------------|
| | Nonmajor Enterprise Fund | | | |
| | Illinois Empower | Workshop Reimbursement | Apex Learning | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ - | \$ 1,787 | \$ - | \$ 1,787 |
| Due from other governments | 10,425 | 1,464 | 23,825 | 35,714 |
| Total current assets | <u>10,425</u> | <u>3,251</u> | <u>23,825</u> | <u>37,501</u> |
| Noncurrent assets: | | | | |
| Capital assets, net | - | 411 | - | 411 |
| TOTAL ASSETS | <u>10,425</u> | <u>3,662</u> | <u>23,825</u> | <u>37,912</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 1,249 | 2 | - | 1,251 |
| Due to other funds | 95,078 | 3,040 | 41,750 | 139,868 |
| TOTAL LIABILITIES | <u>96,327</u> | <u>3,042</u> | <u>41,750</u> | <u>141,119</u> |
| NET POSITION | | | | |
| Net investment in capital assets | - | 411 | - | 411 |
| Unrestricted | (85,902) | 209 | (17,925) | (103,618) |
| TOTAL NET POSITION | <u>\$ (85,902)</u> | <u>\$ 620</u> | <u>\$ (17,925)</u> | <u>\$ (103,207)</u> |

The accompanying notes are an integral part of the financial statements.

**Macon and Piatt Counties Regional Office of Education No. 39
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2022
Exhibit H**

| | Business-Type Activities Nonmajor Enterprise Fund | | | Total |
|---|--|-----------------------------------|---------------------------|----------------------------|
| | Illinois Empower | Workshop Reimbursement | Apex Learning | |
| OPERATING RECEIPTS | | | | |
| Charges for services | \$ 39,975 | \$ 13,866 | \$ 25,325 | \$ 79,166 |
| OPERATING DISBURSEMENTS | | | | |
| Salaries and benefits | 5,364 | - | - | 5,364 |
| Purchased services | 13,674 | 8,002 | 38,785 | 60,461 |
| Supplies and materials | - | 3,785 | - | 3,785 |
| Depreciation expense | - | 2,471 | - | 2,471 |
| Total operating disbursements | <u>19,038</u> | <u>14,258</u> | <u>38,785</u> | <u>72,081</u> |
| NET CHANGE IN NET POSITION | 20,937 | (392) | (13,460) | 7,085 |
| NET POSITION, BEGINNING OF OF YEAR | <u>(106,839)</u> | <u>1,012</u> | <u>(4,465)</u> | <u>(110,292)</u> |
| NET POSITION, END OF YEAR | <u><u>\$ (85,902)</u></u> | <u><u>\$ 620</u></u> | <u><u>\$ (17,925)</u></u> | <u><u>\$ (103,207)</u></u> |

The accompanying notes are an integral part of the financial statements.

Macon and Piatt Counties Regional Office of Education No. 39
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022
Exhibit I

| | Business-Type Activities | | | Total |
|--|--------------------------|---------------------------|--------------------|------------------|
| | Illinois Empower | Workshop Reimbursement | Apex Learning | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 37,450 | \$ 32,802 | \$ 1,500 | \$ 71,752 |
| Payments to suppliers and providers of goods and services | (12,725) | (15,152) | (12,000) | (39,877) |
| Payments to employees | (5,364) | - | - | (5,364) |
| Net cash provided by (used in) operating activities | <u>19,361</u> | <u>17,650</u> | <u>(10,500)</u> | <u>26,511</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Receipts from (payments to) interfund borrowings | (19,361) | (15,863) | 10,500 | (24,724) |
| INCREASE IN CASH AND CASH EQUIVALENTS | - | 1,787 | - | 1,787 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | - | - | - | - |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ -</u> | <u>\$ 1,787</u> | <u>\$ -</u> | <u>\$ 1,787</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ 20,937 | \$ (392) | \$ (13,460) | \$ 7,085 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation expense | - | 2,471 | - | 2,471 |
| (Increase) decrease in assets: | | | | |
| Prepaid expenses | - | - | 26,785 | 26,785 |
| Due from other governments | (2,525) | 18,936 | (23,825) | (7,414) |
| Increase (decrease) in liabilities: | | | | |
| Accounts payable | 949 | (3,365) | - | (2,416) |
| Net cash provided by (used in) operating activities | <u>\$ 19,361</u> | <u>\$ 17,650</u> | <u>\$ (10,500)</u> | <u>\$ 26,511</u> |

The accompanying notes are an integral part of the financial statements.

Macon and Piatt Counties Regional Office of Education No. 39
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022
Exhibit J

| | Custodial Funds |
|--|----------------------------|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 461,804 |
| Due from other governments | 3,850,366 |
| TOTAL ASSETS | 4,312,170 |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | 79,057 |
| Due to other governments | 3,549,669 |
| TOTAL LIABILITIES | 3,628,726 |
| NET POSITION | |
| Restricted for other individuals and governments | 683,444 |
| TOTAL NET POSITION | \$ 683,444 |

The accompanying notes are an integral part of the financial statements.

Macon and Piatt Counties Regional Office of Education No. 39
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
June 30, 2022
Exhibit K

| | Custodial Funds |
|---|----------------------------|
| ADDITIONS | |
| Sales tax collections for other governments | \$ 12,988,542 |
| Interest | 36,100 |
| Other revenue | 1,830 |
| Education collections for local governments | 1,883,494 |
| Total additions | 14,909,966 |
| DEDUCTIONS | |
| Payments of sales tax to other governments | 12,988,542 |
| Administrative expense | 45,000 |
| Education distributions to local governments | 1,857,758 |
| Total deductions | 14,891,300 |
| NET INCREASE IN FIDUCIARY NET POSITION | 18,666 |
| NET POSITION, BEGINNING OF YEAR | 664,778 |
| NET POSITION, END OF YEAR | \$ 683,444 |

The accompanying notes are an integral part of the financial statements.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Macon and Piatt Counties Regional Office of Education No. 39's accounting policies conform to accounting principles generally accepted in the United States of America for governmental entities. The following is a summary of the significant accounting policies.

A. REPORTING ENTITY

The Regional Office of Education No. 39 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Macon and Piatt Counties.

The Regional Superintendent of Schools serves as the chief administrative officer of the region and is elected to the position for a four-year term pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The Regional Superintendent is responsible for the supervision and control of the school districts.

The Regional Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring of the safety, health and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses. The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or seeing that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report.

The Regional Office of Education No. 39 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education No. 39 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education No. 39's financial statements. In addition, the Regional Office of Education No. 39 is not aware of any entity that would exercise oversight as

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

to result in the Regional Office of Education No. 39 being considered a component unit of the entity.

B. NEW ACCOUNTING PRONOUNCEMENTS

For the fiscal year ended June 30, 2022, the Regional Office of Education No. 39 implemented Governmental Accounting Standards Board (GASB) Statement No. 87 – *Leases*. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The implementation of GASB Statement No. 87 required changes to the Regional Office of Education No. 39’s financial statement reporting related to their leases as further described in Note 15. Various other GASB Statements that became effective under the audited period ended June 30, 2022 did not affect the financial statements of the Regional Office of Education No. 39 addressing practice issues that have been identified during implementation and application of certain GASB Statements.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from the *Business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Net Position includes all of the Regional Office of Education No. 39’s nonfiduciary assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Certain eliminations have been made as prescribed by governmental accounting standards in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and the proprietary fund Statement of Net Position, and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated.

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.

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.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues from exchange transactions are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of related

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 39 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid expenses and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues susceptible to accrual are recognized in the current fiscal period. Those revenues include local sources, State sources, federal sources and interest. Unavailable revenues arise when potential revenue does not meet both the measurable and available criteria. Unearned revenues arise when resources are received prior to the government having legal claim to them. The revenues are subsequently recognized when both recognition criteria are met or when the government has legal claim to the resources. Revenues received after the Regional Office's availability period is reported as deferred inflows of resources in the fund statements and are reported as current revenue in the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 39's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 39's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances,

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

committed fund balances are used first, then assigned fund balances, then unassigned, if any.

E. GOVERNMENTAL FUNDS

The Regional Office of Education No. 39 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education No. 39 and is used to account for all financial resources except those required to be accounted for and reported in another fund. This fund is available to pay general and administrative expenditures of the Regional Office of Education No. 39. Included in this fund are:

General - This fund accounts for interest earned on Custodial Fund monies.

Business Office - This fund accounts for various business office expenditures, such as insurance, utilities, rent, and business personnel, and reimbursements from Macon and Piatt Counties to help cover these costs. It also accounts for pop machine revenues and expenditures as well as interest on the pooled cash account.

Pop Fund - This program accounts for revenue and expenses from the pop machines at the Eldorado Street and Futures facilities.

Junior Achievement - This program accounts for sales of candy, etc.

ADA State Aid - This program accounts for General State Aid for the Futures Unlimited School.

St. Mary's Hospital School - This program accounts for charges to local school districts for educational services provided to students being treated by St. Mary's Adolescent Mental Health Services.

Student Council - This program accounts for the sales of candy, bake sales, etc. for class trips.

Recycling and Energy - This program accounts for proceeds from Caterpillar, Inc., for recycling and energy education curriculum for all students (K-12) in Macon and Piatt Counties.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Teachers' Exchange - This program accounts for revenue generated by fees from classes from Eastern Illinois University graduate classes.

Alternative Education Intervention - This program accounts for the proceeds of a grant from the Community Foundation of Macon County to provide at-risk students with academic, behavioral, and social supports to ensure students regain credits to continue their education and achieve high school graduation.

General State Aid - This program accounts for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Regional Safe School.

Baby Talk - This program accounts for monies for outreach and family literacy programs, STEPS Early Intervention, and resources for professionals, including professional training, certification seminars, and an extensive program curriculum.

Futures Foundation - This program accounts for Futures Unlimited contributions from the Community Foundation of Macon County and various other donors.

Spelling Bee - This fund accounts for activities related to the Macon County spelling bee winner and other award expenses.

School Improvement - This fund accounts for activities related to an agreement between the Regional Office and other school districts. The Regional Office provides services to the school districts through the parameters set by the School Improvement Grant - Section 1003(g).

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. Included among these funds are:

Education Fund - This special revenue 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:

Truants Alternative/Optional Education - This program accounts for the proceeds of a grant from the Illinois State Board of Education to provide educational opportunities for drop-outs and truants.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ROE/ISC Operations - These funds are provided by the Illinois State Board of Education, through a budget application process, to the Regional Office to provide professional development to district schools and teachers in Macon and Piatt County school districts.

Start Early - Training and Technical - This program accounts for the proceeds of a grant from the Illinois State Board of Education to train people in Prevention Initiative program through the Baby Talk Model.

Regional Safe Schools - This program accounts for the proceeds of a grant from the Illinois State Board of Education to remove violent and unproductive youths from a public school setting and place them in a program where they can receive individualized attention.

Early Childhood Block Grant - This program accounts for the proceeds of a grant awarded by the Illinois State Board of Education for the systematic identification and recruitment of teen moms and dads and the delivery of culturally appropriate education in order to engage them in their child's learning.

Not on Tobacco - This program accounts for a grant awarded to Futures Unlimited for students to learn the hazards of tobacco products.

Homeless Children Youth Program - This program accounts for the proceeds of a grant from the Illinois State Board of Education for identification, referral, and enrollment of homeless and displaced youth in Macon County schools.

Regional Safe School Cooperative Education Program - The program assists suspended or expelled students in completing their education by participating in career-related classrooms and structured cooperative work experiences provided by the private sector.

Family Violence Counseling - This program accounts for the proceeds of a grant from the Illinois Family Violence Coordinating Councils to provide professional education to assist in responding to family violence.

Elementary and Secondary School Emergency Relief Fund (ESSER) Digital Equity - This program was created with proceeds of a grant to

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

help close the digital divide and enable digital-age teaching and learning.

Elementary and Secondary School Emergency Relief Fund (ESSER) Emergency Relief - This program was created with proceeds of a grant for emergency relief.

Baby Talk Emergency Relief - The program accounts for grant funds for Baby Talk, Inc. from the ESSER funding.

ARP Emergency Relief Homeless - This program accounts for the proceeds of a grant from the Illinois State Board of Education used for contracts and supplies for Poverty Simulation and outreach with community-based organizations to identify homeless youth.

Elementary and Secondary School Emergency Relief Fund (ESSER) II - Emergency School Relief - to account for grant monies received for, and payment of, providing the Regional Office of Education No. 39 with emergency relief funds to address the impact of the Novel Coronavirus Disease 2019 (COVID-19).

Elementary and Secondary School Emergency Relief Fund (ESSER) III – to account for grant monies received for, and payment of, the American Rescue Plan Elementary and Secondary School Emergency Relief providing the Regional office of Education No. 39 with emergency relief funds to help to safely reopen and sustain the safe operation of schools and address the impact of the COVID-19 pandemic on the nation’s students.

Emergency Assistance to Non-Public Schools Elementary and Secondary School Emergency Relief Fund (EANS ESSER) - This program accounts for grant monies received for, and payment of, providing services or assistance to eligible nonpublic schools to address educational disruptions caused by the COVID-19 emergency.

Social Emotional Learning - This program ensures that local school districts, in partnership with social-emotional (SEL) and trauma coaches, will identify, develop, and implement a comprehensive plan to address the safety and well-being needs of students and staff.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nonmajor Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed for specific purposes other than debt service or capital projects. Included among these funds are:

Institute - This fund accounts for the proceeds earned from teacher registration, certificate renewals, and examinations. The proceeds are used to pay administrative expenses incurred on behalf of the teachers' institute, such as certificates, workshops, and general meetings, to ensure compliance with 105 ILCS 5/3-12. All funds generated remain restricted until expended only on the aforementioned activities.

General Education Development (GED) - This program accounts for monies received from students who participate in the high school equivalency programs. The proceeds are used to pay the administrative expenses incurred to administer the GED program.

Bus Permit - This program accounts for registration and user fees and a distribution from the Illinois State Board of Education. These monies are used to pay the administrative expenses incurred to ensure compliance with 105 ILCS 5/3-14/32 (school bus driver permits).

Skills SED - This program provides funding for the special needs daycare summer program. The money received from local agencies provides for summer staff, supplies, and field trips.

F. PROPRIETARY FUND TYPES

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

The Regional Office of Education No. 39 reports the following major proprietary fund:

Illinois Empower - This program also provides workshops for professional development presented by consultants.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Regional Office of Education No. 39 reports the following nonmajor proprietary fund:

Workshop Reimbursement - This program provides workshops for professional development presented by Regional Office of Education No. 39 employees.

Apex Learning - This program provides digital curriculum training and support for teachers.

G. FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employment benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Regional Office of Education No. 39's fiduciary funds are custodial funds.

Custodial Funds - Custodial funds are used to account for assets held by the Regional Office of Education No. 39 as a fiscal agent for various districts and entities; for various taxes and assessments collected for the benefit of and distributed to other governments.

Heartland Region Fund - This fund accounts for the assets held for the benefit of Heartland Region, an intergovernmental agreement between school districts that provides quality and efficient delivery of orientation and skill level vocational programs accessible to all residents in member districts.

Regional Board of Trustees - This fund accounts for monies received from individuals filing petitions requesting change of boundary hearings with the Regional Board of School Trustees. Monies are expended to cover hearing expenses.

School Occupation Facility Tax - This fund accounts for assets held by the Regional Office of Education No. 39 to be distributed to local school districts. Monies are received from the State Comptroller for the School Facility Occupation Tax and are forwarded directly to the school districts.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Decatur Community Partnership - Substance Abuse grant and contributions are used with other agencies, organizations and people who work collaboratively to promote a drug free community. In addition, the Decatur Community Partnership strives to improve the health of the Decatur and Macon County Community.

H. DEPOSITS AND INVESTMENTS

The Regional Office of Education No. 39 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of three months or less to be cash and cash equivalents. State regulations require that Regional Office of Education No. 39 deposit funds under its control into accounts insured by the federal governments, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education No. 39 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

I. INTERFUND TRANSACTIONS

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” in the fund financial statements. Balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

J. CAPITAL ASSETS

Capital assets are reported in the applicable columns in the government-wide financial statements. Capital assets, such as equipment, are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

| Assets | Years |
|-------------------------|-------|
| Leasehold improvements | 3 |
| Equipment and furniture | 4 |

In the fund financial statements, capital assets used in governmental operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

K. LEASES

The Regional Office of Education No. 39 determines if an arrangement is a lease at the inception of the contract. If a lease is present and the Regional Office of Education No. 39 is the lessee, a right-of-use asset and lease liability should be recognized, unless the lease is a short-term lease. The right-of-use assets represent the right to use the underlying assets for the lease term and the lease liabilities represent the obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Short-term leases have a maximum term of 12 months or less, including options to extend, regardless of whether the extension is expected to be exercised. If a lease is cancelable by either the lessee or lessor, the lease term is the noncancelable period of the lease, including any notice periods. Short-term leases do not require the reporting of a right-of use asset or lease liability. Instead, the lease payments are reported as expenditures or expenses, as applicable, based on the payments provided for in the lease contract.

Right-of-use assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

L. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred inflows of resources on the governmental funds Balance Sheet consist of grant receivables not collected within sixty days after the year end. Deferred inflows of resources in the Statement of Net Position consist of unrecognized items that have not yet reduced pension and OPEB expense.

M. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the Regional Office of Education No. 39'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. 39's OPEB Plan, and additions to/deductions from the Regional Office of Education No. 39's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 39's Plan. For this purpose, the Regional Office of Education No. 39's Plan recognizes the benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education No. 39's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the ROE's single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

N. COMPENSATED ABSENCES

After one year of employment, noncertified and certified employees who have a 261-day contract can earn up to 20 vacation days per year, prorated based on the number of days worked. Employees with less than full-year contracts do not earn vacation days. Unused vacation time is paid on termination of employment. Management has determined that the current year accrual for vacation time is immaterial to the financial statements; therefore, no liability has been accrued.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employees who have at least a 182-day contract receive two personal days per year. Unused personal days are allowed to accrue as sick leave. Employees earn up to 15 sick days per year, depending on the length of their annual contract, and the unused portion accumulates indefinitely.

Employee sick leave is recorded when paid. Upon retirement, unused sick leave may be used as service credits toward the employee's retirement fund. Upon termination, employees do not receive any accumulated sick leave pay, and therefore no liability is accrued.

O. EQUITY CLASSIFICATIONS

Government-wide and Proprietary Fund Statements

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

Net Investment in Capital Assets - Consists of capital assets and right-of-use assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

Governmental Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in a governmental fund. The following types of fund balances may be presented on the Governmental Funds Balance Sheet, the 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 fund balance that is not available to be spent, either short term or long term, in

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

either form or through legal restrictions. There are no funds presenting a nonspendable fund balance.

Restricted Fund Balance - The portion of a governmental fund's fund balance that is subject to external enforceable legal restrictions. Not on Tobacco and Homeless Children Youth Program's fund balances are restricted by grant agreements or contracts. The following funds are restricted by Illinois Statute: Institute, General Education Development, and Bus Permit.

Committed Fund Balance - The portion of a governmental fund's fund balance with self-imposed constraints or limitations that have been placed at the highest level of decision-making. There are no accounts presenting a committed fund balance.

Assigned Fund Balance - The portion of a governmental fund's fund balance 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 comprise assigned fund balance: Junior Achievement, Student Council, Alternative Education Intervention and Futures Foundation.

Unassigned Fund Balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following accounts comprise unassigned fund balance: General, Business Office, Pop Fund, ADA State Aid, St. Mary's Hospital School, Teachers' Exchange, General State Aid, Baby TALK, Spelling Bee, School Improvement, Start Early - Training and Technical, Regional Safe Schools, Early Childhood Block Grant, ESSER Digital Equity, ESSER II, ESSER III, EANS, Social Emotional Learning, and Skills SED.

NOTE 2 BUDGETS AND BUDGETARY ACCOUNTING

The Regional Office of Education No. 39 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the granting agency as part of the grant awards process. The granting agency must also approve amendments to these budgets.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 2 BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Grant project budgets are based on the award period. Budgetary Comparison Schedules have been presented for the following grants: Truants Alternative/Optional Education, ROE/ISC Operations, Start Early - Training and Technical, Regional Safe Schools, Early Childhood Block Grant, Homeless Children Youth Program, Regional Safe School Cooperative Education Program, Family Violence Counseling, ESSER Digital Equity, ESSER Emergency Relief, Baby Talk Emergency Relief, ARP Homeless, ESSER II, ESSER III, EANS and Social Emotional Learning.

NOTE 3 USE OF 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.

NOTE 4 DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2022, the carrying amount of the Regional Office of Education No. 39's governmental activities, business-type activities, and fiduciary fund's deposits were \$190,382, \$1,787, and \$461,804, respectively. The bank balances totaled \$810,504 all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education No. 39's name, and were, therefore, not exposed to custodial credit risk.

Investments

At June 30, 2022, the carrying amount of the Regional Office of Education No. 39's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$673,234. The bank balance invested in the Illinois Funds Money Market Fund was \$673,234. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 39's governmental activities.

At June 30, 2022, the Regional Office of Education No. 39 had an investment in common stock with a fair value of \$124,628. The Regional Office of Education No. 39 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data; Level 3 are unobservable inputs that reflect management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The investments held in common stock are valued using level 1 inputs.

Investments are classified as available-for-sale securities and reported at fair value, with unrealized gains and losses included in investment income. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. The net appreciation in fair value of investments for the year ended June 30, 2022 totaled \$13,697.

Credit Risk

At June 30, 2022, the Illinois Funds Money Market Fund had a Standard and Poor's AAmmf rating. The pool is audited annually by an outside, independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. The fair value of the Regional Office of Education No. 39's position in the fund is the same as the value of the fund's shares.

Interest Rate Risk

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

Concentration of Credit Risk

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

NOTE 5 RISK MANAGEMENT - CLAIMS AND JUDGMENTS

The Regional Office of Education No. 39 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers'

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 5 RISK MANAGEMENT - CLAIMS AND JUDGMENTS (Continued)

compensation; and natural disasters. The Regional Office of Education No. 39 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

NOTE 6 CONTINGENCIES

The Regional Office of Education No. 39 has received funding from Federal and State grants in the current and prior years, which are subject to audits by granting agencies. The Regional Office of Education No. 39 believes any adjustments that may arise will be insignificant to the Regional Office of Education No. 39's operations.

NOTE 7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

| | June 30, 2021 | Increases | Decreases | June 30, 2022 |
|------------------------------------|-------------------|--------------------|-------------|------------------|
| Governmental activities: | | | | |
| Capital assets being depreciated: | | | | |
| Leasehold improvements | \$ 45,000 | \$ - | \$ - | \$ 45,000 |
| Equipment and furniture | 722,335 | 30,026 | - | 752,361 |
| Total capital assets | <u>767,335</u> | <u>30,026</u> | <u>-</u> | <u>797,361</u> |
| Less accumulated depreciation for: | | | | |
| Leasehold improvements | (45,000) | - | - | (45,000) |
| Equipment and furniture | (609,647) | (58,123) | - | (667,770) |
| Total accumulated depreciation | <u>(654,647)</u> | <u>(58,123)</u> | <u>-</u> | <u>(712,770)</u> |
| Total capital assets, net | <u>\$ 112,688</u> | <u>\$ (28,097)</u> | <u>\$ -</u> | <u>\$ 84,591</u> |
| Right-of-use assets: * | | | | |
| Building | \$ 125,485 | \$ - | \$ - | \$ 125,485 |
| Equipment | 10,326 | - | - | 10,326 |
| Total right-of-use assets | <u>135,811</u> | <u>-</u> | <u>-</u> | <u>135,811</u> |
| Less accumulated amortization for: | | | | |
| Building | - | (55,616) | - | (55,616) |
| Equipment | - | (4,577) | - | (4,577) |
| Total accumulated amortization | <u>-</u> | <u>(60,193)</u> | <u>-</u> | <u>(60,193)</u> |
| Total right-of-use assets, net | <u>\$ 135,811</u> | <u>\$ (60,193)</u> | <u>\$ -</u> | <u>\$ 75,618</u> |

**The Regional Office of Education No. 39 recorded the right-of-use assets and lease liability (see Note 10) as of June 30, 2021 as a result of implementing GASB Statement No. 87.*

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 7 CAPITAL ASSETS (Continued)

| | June 30, 2021 | Increases | Decreases | June 30, 2022 |
|--|------------------|------------|-----------|------------------|
| Business-type activities: | | | | |
| Capital assets being depreciated: | | | | |
| Equipment | \$ 15,438 | \$ - | \$ - | \$ 15,438 |
| Less accumulated depreciation for: | | | | |
| Equipment | (12,556) | (2,471) | - | (15,027) |
| Business-type activities capital assets, net | \$ 2,882 | \$ (2,471) | \$ - | \$ 411 |

Depreciation and amortization expense was charged to functions/programs of the Regional Office of Education No. 39 as follows:

| | |
|--------------------------|------------|
| Governmental activities: | |
| Instructional services | \$ 118,316 |
| Business-type: | |
| Professional development | \$ 2,471 |

NOTE 8 RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

Plan description

The Regional Office of Education No. 39 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/acfrs/fy2021>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 members qualify for

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

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

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

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

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

Contributions

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

Contributions from active members and TRS contributing employers are also

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

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, 2021, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 39.

On behalf contributions to TRS - The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 39. For the year ended June 30, 2022, State of Illinois contributions recognized by the Regional Office of Education No. 39 were based on the State's proportionate share of the pension expense associated with the Regional Office of Education No. 39, and the Regional Office of Education No. 39 recognized revenue and expenditures of \$514,598 in pension contributions from the State of Illinois.

2.2 formula contributions - Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2022, were \$6,392, and are deferred because they were paid after the June 30, 2021 measurement date.

Federal and special trust fund contributions - When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 39, there is a statutory requirement for the Regional Office of Education No. 39 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2022, the employer pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2022, salaries totaling \$98,000 were paid from federal and special trust funds that required employer contributions of \$10,104. These contributions are deferred because they were paid after the June 30, 2021 measurement date.

Employer retirement cost contributions - Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 39 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.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2022, the Regional Office of Education No. 39 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent, or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2021, the Regional Office of Education No. 39 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 | \$ 85,604 |
| State's proportionate share of the net pension liability associated with the employer | <u>7,174,506</u> |
| Total | <u><u>\$ 7,260,110</u></u> |

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Regional Office of Education No. 39's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2021, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2021, the Regional Office of Education No. 39's proportion was .0001097325 percent, which was a decrease of .0000044644 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Regional Office of Education No. 39 recognized pension expense and revenue of \$514,598 for support provided by the State. At June 30, 2022, the Regional Office of Education No. 39 recognized a pension benefit of \$158,113. At June 30, 2022, the Regional Office of Education No. 39 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

| <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 | \$ 491 | \$ 353 |
| Net difference between projected and actual earnings on pension plan investments | - | 5,742 |
| Change in assumptions | 38 | 423 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | <u>31,030</u> | <u>582,161</u> |
| Total Deferred Amount to be Recognized in Pension Expense in Future Periods | 31,559 | 588,679 |
| Employer Contributions Made Subsequent to the Measurement Date | <u>16,496</u> | <u>-</u> |
| Total Deferred Amount Related to Pensions | <u><u>\$ 48,055</u></u> | <u><u>\$ 588,679</u></u> |

\$16,496 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

| <u>Year Ending June 30,</u> | <u>Net Deferred Inflows of of Resources</u> |
|-----------------------------|---|
| 2023 | \$ (366,000) |
| 2024 | (184,706) |
| 2025 | (3,084) |
| 2026 | (2,896) |
| 2027 | <u>(434)</u> |
| Total | <u><u>\$ (557,120)</u></u> |

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 2.25% |
| 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, 2021 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2020. 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 were used on a fully generational basis using projection table MP-2017.

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 | 16.7% | 6.20% |
| U.S. equities small/mid cap | 2.2% | 7.40% |
| International equities developed | 10.6% | 6.90% |
| Emerging market equities | 4.5% | 9.20% |
| U.S. bonds core | 3.0% | 1.60% |
| Cash equivalents | 2.0% | 0.10% |
| TIPS | 1.0% | 0.80% |
| International debt developed | 1.0% | 0.40% |
| Emerging international debt | 4.0% | 4.40% |
| Real estate | 16.0% | 5.80% |
| Private debt | 10.0% | 6.50% |
| Hedge Funds | 10.0% | 3.90% |
| Private equity | 15.0% | 10.40% |
| Infrastructure | 4.0% | 6.30% |
| Total | <u>100.0%</u> | |

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

Discount Rate

At June 30, 2021, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2020 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, 2021 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.

Sensitivity of the Regional Office of Education No. 39's proportionate share of the net pension liability to changes in the discount rate

The following presents the Regional Office of Education No. 39's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Regional Office of Education No. 39'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%) |
|---|--------------------------------|--|--------------------------------|
| Employer's proportionate share of the net pension liability | \$ 106,019 | \$ 85,604 | \$ 68,647 |

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2021 is available in the separately issued TRS *Annual Comprehensive Financial Report*.

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund

IMRF Plan Description

The Regional Office of Education No. 39's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and their beneficiaries. The Regional Office of Education No. 39's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
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NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

| | |
|--|-----|
| Retirees and Beneficiaries currently receiving benefits | 49 |
| Inactive Plan Members entitled to but not yet receiving benefits | 41 |
| Active Plan Members | 25 |
| Total | 115 |

Contributions

As set by statute, the Regional Office of Education No. 39'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. 39's annual contribution rate for calendar year 2021 was 13.98%. For the fiscal year 2022, the Regional Office of Education No. 39 contributed \$131,643 to the plan. The Regional Office of Education No. 39 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.

Net Pension Asset/Liability

The Regional Office of Education No. 39's net pension (asset)/liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of that date.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Fair Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- 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 were used.
- For 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 active members, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, 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, 2021:

| <u>Asset Class</u> | <u>Portfolio Target Percentage</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------|--|---|
| Domestic equity | 39% | 1.90% |
| International equity | 15% | 3.15% |
| Fixed income | 25% | (0.60)% |
| Real estate | 10% | 3.30% |
| Alternatives investments | 10% | 1.70-5.50% |
| Cash equivalents | 1% | (0.90)% |
| Total | 100% | |

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2021. 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

| <u>Changes in the Net Pension Liability</u> | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (Assets) (A) - (B) |
|---|--|--|---|
| Balances at December 31, 2020 | \$ 6,458,175 | \$ 6,883,548 | \$ (425,373) |
| Changes for the year: | | | |
| Service Cost | 106,891 | - | 106,891 |
| Interest on the total pension liability | 462,905 | - | 462,905 |
| Differences between expected and actual experience of the total pension liability | (67,881) | - | (67,881) |
| Contributions - employer | - | 158,170 | (158,170) |
| Contributions - employee | - | 64,965 | (64,965) |
| Net investment income | - | 1,023,054 | (1,023,054) |

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

| <u>Changes in the Net Pension Liability</u> | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (Assets) (A) - (B) |
|--|--|--|---|
| Benefit payments, including refunds of employee contributions | \$ (373,069) | \$ (373,069) | \$ - |
| Other (net transfer) | - | (3,406) | 3,406 |
| Net changes | 128,846 | 869,714 | (740,868) |
| Balances at December 31, 2021 | <u>\$ 6,587,021</u> | <u>\$ 7,753,262</u> | <u>\$(1,166,241)</u> |

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

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

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|-------------------------------|--------------------------------|--|--------------------------------|
| Net Pension (Asset)/Liability | \$ (370,976) | \$ (1,166,241) | \$ (1,700,043) |

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

For the year ended June 30, 2022, the Regional Office of Education No. 39 recognized pension expense (benefit) of \$273,372. At June 30, 2022, the Regional Office of Education No. 39 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

| <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 | \$ - | \$ 40,104 |
| Assumptions changes | - | 5,579 |
| Net difference between projected and actual earnings on pension plan investments | - | 906,849 |
| | | |
| Total Deferred Amount to be Recognized in Pension Expense in Future Periods | - | 952,532 |
| | | |
| Pension Contributions Made Subsequent to the Measurement Date | <u>54,813</u> | <u>-</u> |
| | | |
| Total Deferred Amounts Related to Pensions | <u>\$ 54,813</u> | <u>\$ 952,532</u> |

\$54,813 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 and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| <u>Year Ending December 31,</u> | <u>Net Deferred Outflows (Inflows) of Resources</u> |
|-------------------------------------|---|
| 2022 | \$ (264,821) |
| 2023 | (365,506) |
| 2024 | (212,103) |
| 2025 | <u>(110,102)</u> |
| Total | <u>\$ (952,532)</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

C. Social Security

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered “nonparticipating employees”. These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

A. Teachers' Health Insurance Security Fund

THIS Plan Description

The Regional Office of Education No. 39 participates in the Teachers' Health Insurance Security (THIS) fund (also known as the Teacher Retirement Insurance Program, “TRIP”). TRIP 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. TRIP is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. TRIP 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. TRIP is administered in accordance with the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) which establishes the eligibility and benefit provisions of the plan.

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) requires that the Department of Central Management Services' Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

Macon and Piatt Counties Regional Office of Education No. 39
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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (Continued)

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.24% of salary and for every employer of a teacher to contribute an amount equal to 0.92% of each teacher's salary. For 2022 those rates were changed to 0.90% and 0.67% of pay respectively. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

On-behalf Contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 39. For the year ended June 30, 2022, State of Illinois contributions recognized by the Regional Office of Education No. 39 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 39, and recognized revenue and expenditures of \$15,691 in OPEB contributions from the State of Illinois.

Employer Contributions to the THIS Fund

The Regional Office of Education No. 39 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2022, 0.89 percent during the year ended June 30, 2021, and 0.92 percent during the year ended June 30, 2020. For the year ended June 30, 2022 the Regional Office of Education No. 39 paid \$7,384 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2021 and 2020, the Regional Office of Education No. 39 paid \$8,764 and \$8,797 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further Information on the THIS Fund

TRIP is considered a fiduciary component unit of the State of Illinois due to fiscal dependency on the State. The financial statements of the TRIP are included in the financial statements of the State of Illinois as a pension (and other employee benefit) trust fund. The audit report is available on the office of the Auditor General website at www.auditor.illinois.gov, which includes the financial statements of the Department of Central Management Services.

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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, 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 | 2.75%, net of OPEB plan investment expense, including inflation, for all plan years. |
| Healthcare cost trend rates | Trend for fiscal year 2022 based on expected increases used to develop average costs. For fiscal years on and after 2023, trend starts at 8.00%, and gradually decreases to an ultimate trend of 4.25%. |

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, 2020 valuation were the same as those used in the June 30, 2019 valuation, which were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017 and updated actuarial assumptions as of June 30, 2018.

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 the 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

Macon and Piatt Counties Regional Office of Education No. 39
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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (Continued)

with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity’s index’s “ 20-year Municipal GO AA Index” has been selected. The discount rates are 2.45 percent as of June 30, 2020, and 1.92 percent as of June 30, 2021.

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. 39’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 or 1-percentage-point higher than the current discount rate:

| | 1% Decrease (0.92%) | Current Discount Rate (1.92%) | 1% Increase (2.92%) |
|---|--------------------------------|--|--------------------------------|
| Employer’s proportionate share of the collective net OPEB liability | \$ 1,004,690 | \$ 836,238 | \$ 702,899 |

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. 39’s proportionate share of the collective net OPEB liability as of June 30, 2021, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The current trend rates are 8.00% in 2023 decreasing to an ultimate trend rate of 4.25% in 2038.

| | 1% Decrease* | Healthcare Cost Trend Rates | 1% Increase** |
|---|-------------------------|--|--------------------------|
| Employer’s proportionate share of the collective net OPEB liability | \$ 669,532 | \$ 836,238 | \$ 1,062,936 |

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (Continued)

* One percentage point decrease in healthcare trend rates are 7.00% in 2023 decreasing to an ultimate rate of 3.25% in 2038.

** One percentage point increase in healthcare trend rates are 9.00% in 2023 decreasing to an ultimate trend rate of 5.25% in 2038.

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

At June 30, 2022, the Regional Office of Education No. 39 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. 39. The amount recognized by the Regional Office of Education No. 39 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. 39 were as follows:

| | |
|--|---------------------------|
| Employer's proportionate share of the collective net OPEB liability | \$ 836,238 |
| State's proportionate share of the net OPEB liability associated with the employer | <u>1,133,791</u> |
| Total | <u><u>\$1,970,029</u></u> |

The collective net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Regional Office of Education No. 39's proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 39's long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 39, actuarially determined. At June 30, 2021, the Regional Office of Education No. 39's proportion was 0.003792 percent, which was an increase of 0.000026 from its proportion measured as of June 30, 2020 (0.003766 percent). The State's support and total are for disclosure purposes only.

For the year ending June 30, 2022, the Regional Office of Education No. 39 recognized OPEB expense and revenue of \$15,690 for support provided by the State. For the year ending June 30, 2022, the Regional Office of Education No. 39 recognized an OPEB benefit of \$183,704. At June 30, 2022, the Regional Office of Education No. 39 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (Continued)

| <u>Deferred Amounts Related to OPEB</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Deferred Amounts to be Recognized in OPEB Expense in Future Periods | | |
| Differences between expected and actual experience | \$ - | \$ 39,118 |
| Changes of assumptions | 289 | 313,134 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 3 |
| Changes in proportion and differences between employer | | |
| Contributions and proportionate share of contributions | <u>119,567</u> | <u>724,799</u> |
| Total Deferred Amount to be Recognized in OPEB Expense in Future Periods | 119,856 | 1,077,054 |
| Employer Contributions Subsequent to the Measurement Date | <u>7,157</u> | <u>-</u> |
| Total Deferred Amount Related to OPEB | <u>\$ 127,013</u> | <u>\$ 1,077,054</u> |

\$7,157 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education No. 39 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, 2023. 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. 39's OPEB expense as follows:

| <u>Year Ending June 30,</u> | <u>Net Deferred Inflows of of Resources</u> |
|-----------------------------|---|
| 2023 | \$ (130,587) |
| 2024 | (130,587) |
| 2025 | (130,587) |
| 2026 | (130,587) |
| 2027 | (130,586) |
| Thereafter | <u>(304,264)</u> |
| Total | <u>\$ (957,198)</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (Continued)

THIS Fiduciary Net Position:

Detailed information about the THIS Fund fiduciary net position as of June 30, 2021, is available in the separately issued THIS Financial Report.

Health Insurance

Plan Description

The Regional Office of Education No. 39 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statement No.'s 74 and 75 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

Eligibility Provisions

Full-Time Employees - IMRF

Tier I IMRF Full-Time employees:

Age 55 with at least 8 years of service

Tier II IMRF Full-Time employees:

Age 62 with at least 10 years of service

Full-Time Employees - TRS

Tier I TRS Full-Time employees

At least 55 with at least 20 years of service

Tier II TRS Full-Time employees:

At least 62 with at least 10 years of service

Benefits Provided

The Regional Office of Education No. 39 provides continued health insurance coverage at the blended employer rate to all eligible Regional Office of Education No. 39 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The Regional Office of Education No. 39 offers the Blue Cross Blue Shield PPO Plan to full-time IMRF and TRS employees. Retirees pay the full cost of coverage and may continue to be covered under the Regional Office of Educations No. 39's plan past Medicare eligibility. Eligible spouse or dependent coverage may continue should the retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (Continued)

The spouse or dependent is responsible for the full cost of the coverage and may continue to be covered under the Regional Office of Education No. 39’s plan past Medicare eligibility.

The Regional Office of Education No. 39 provides dental, vision, and life insurance coverage to all eligible employees in accordance with Illinois Compiled Statutes. Retirees may continue dental or vision coverage into retirement. The retiree is responsible for the full premium cost of coverage for the dental and vision plans. Life insurance is not available to retirees.

Membership

At June 30, 2022 membership consisted of:

| | |
|---|------------------|
| Inactive employees currently receiving benefits | - |
| Inactive employees entitled to but not yet receiving benefits | - |
| Active employees | <u>44</u> |
| Total | <u><u>44</u></u> |

Funding Policy and Contributions

There is no funding policy that exists for the postretirement plan at this time, as the total OPEB liabilities are currently an unfunded obligation.

The employer contributions and benefit payments are related to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

The contributions of \$19,094 from other Regional Office of Education No. 39 resources and benefit payments of \$19,094 from other Regional Office of Education No. 39 resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

Total OPEB Liability

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2022 actuarial valuation date and adjusted to the June 30, 2022 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

| | |
|--|---|
| Discount rate used for the total OPEB liability | 2.16% at the beginning of the year increasing to 3.54% at the end of the year. |
| Long-term expected rate of return on plan assets | N/A. OPEB obligation is unfunded. |
| High quality 20 year tax-exempt G.O. Bonds | 2.16% at the beginning of the year increasing to 3.54% at the end of the year. |
| Salary increases | The salary increase assumption of 2.50% was based on a review of the IMRF Experience Study Report dated December 14, 2020 and TRS Experience Study Report dated September 30, 2021. |
| Annual blended premium | Premiums charged for coverage of retirees and spouse are \$9,116 and \$10,028. |
| Healthcare trend rates | Initial trend rate is based on the 2022 Segal Health Plan Cost Trend Survey. Trend starts at 7.30% and gradually decreases to an ultimate trend of 5.00% in 2032. |
| Retiree contributions rates | Same of Healthcare trend rates. |

IMRF mortality rates used the PubG-2010(B) Improved Generationally and MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020 using age 83 for males and age 87 for females. TRS mortality rates used TRS mortality rates use PubT-2010 Improved Generationally and MP-2020, weighted per TRS Experience Study Report dated September 30, 2021 using age 87 for males and age 90 for females.

The retirement rates based on rates from the IMRF Experience Study Report dated December 14, 2020 and the TRS Experience Study Report dated September 30, 2021 were used to estimate the single retirement ages pursuant to the Alternative Measurement Method for GASB Statement No. 74/75.

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (Continued)

The mortality rates were used to estimate assumed age at death pursuant to the Alternative Measurement Method for GASB Statement No. 74/75.

The probability of working to the assumed retirement age was determined based on the underlying termination and disability rates pursuant to the Alternative Measurement Method for GASB Statement No. 74/75.

Changes in Total OPEB Liability

| | Total OPEB Liability |
|---|---------------------------------|
| Balances at July 1, 2021 | \$ 291,165 |
| Changes for the year: | |
| Service Cost | 8,555 |
| Interest | 6,083 |
| Differences between expected and actual experience | (62,116) |
| Assumption changes | (41,292) |
| Contributions - employer | - |
| Contributions - employees | - |
| Contributions - other | - |
| Net investment income | - |
| Benefit payments | (19,094) |
| Administrative expense | - |
| Net changes | (107,864) |
| Balances at June 30, 2022 | \$ 183,301 |

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan assets and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the Macon and Piatt Counties Regional Office of Education No. 39, then only the municipal bond rate is used in determining the total OPEB liability.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Municipal Bond Rate

The municipal bond rate assumption is based on the Bond Buyer 20-Bond GO Index. The beginning of year rate is the 2.16% rate, and the end of year rate is 3.54%. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

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

Inflation Rate

The long-term inflation expectation used is 2.25%, which is an underlying component of the discount rate and assumed health care trend rates.

Sensitivity of the Discount Rate

The net OPEB liability has been determined using the end of year discount rate of 3.54%. Below is a table illustrating the sensitivity of the Net OPEB Liability to the discount rate assumptions.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (Continued)

| | 1% Decrease (2.54%) | Current Discount Rate (3.54%) | 1% Increase (4.54%) |
|-------------------------------|--------------------------------|--|--------------------------------|
| Employer’s net OPEB liability | \$ 205,108 | \$ 183,301 | \$ 164,989 |

Sensitivity of the Healthcare Trend Rates

The following presents the Regional Office of Education No. 39’s total OPEB liability, calculated using the healthcare cost trend rates as well as what the Regional Office of Education No. 39’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 7.30% in 2022 decreasing to an ultimate trend rate of 5.00% for both non-Medicare coverage and post-Medicare coverage.

| | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|---------------------------------|--------------------|--|--------------------|
| Employer’s total OPEB liability | \$ 163,453 | \$ 183,301 | \$ 206,781 |

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

For the year ended June 30, 2022, the Regional Office of Education No. 39 recognized OPEB benefit of \$107,864. At June 30, 2022, the Regional Office of Education No. 39 reported no deferred outflows of resources or deferred inflows of resources related to this OPEB plan.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 10 LONG-TERM LIABILITIES (ASSETS)

Long-term Liability(Asset) Activity

The following is a summary of the changes in the Regional Office of Education No. 39's long-term liabilities (assets):

| | Balance | Additions | Deletions | Balance | Amounts Due Within One Year |
|--------------------------------------|---------------------|-------------|--------------------|------------------|-----------------------------|
| | June 30, 2021 | | | June 30, 2022 | |
| Net pension liability - TRS | \$ 98,455 | \$ - | \$ 12,851 | \$ 85,604 | \$ - |
| Lease liability | 135,811 | - | 59,422 | 76,389 | 60,881 |
| Net pension (asset)/liability - IMRF | (425,373) | - | 740,868 | (1,166,241) | - |
| OPEB liability THIS | 1,006,813 | - | 170,575 | 836,238 | - |
| OPEB liability – Health Insurance | 291,165 | - | 107,864 | 183,301 | - |
| Total long-term liabilities | \$ 1,106,871 | \$ - | \$1,091,580 | \$ 15,291 | \$ 60,881 |

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

NOTE 11 BOND

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 39 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education No. 39 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

NOTE 12 INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2022, interfund receivables and payables were as follows:

| Fund | Due from Other Funds | Due to Other Funds |
|---------------------|----------------------|---------------------|
| General | \$ 1,227,838 | \$ - |
| Education | - | 1,087,531 |
| Special Revenue | - | 439 |
| Illinois Empower | - | 95,078 |
| Nonmajor Enterprise | - | 44,790 |
| Total | \$ 1,227,838 | \$ 1,227,838 |

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 12 INTERFUND RECEIVABLES AND PAYABLES (Continued)

All of the interfund balances due to the General Fund from the Education Fund, Illinois Empower, and Nonmajor Enterprise Funds consisted of loans between individual funds. The loans were used to cover cash shortages in these individual funds.

NOTE 13 DUE TO/DUE FROM OTHER GOVERNMENTS

The Regional Office of Education No. 39's General Fund, Education Fund, Nonmajor Enterprise Funds, and Custodial Funds had funds due from/to various other governmental units, which consisted of the following at June 30, 2022:

Due from Other Governments:

| | |
|-------------------|------------|
| General Fund: | |
| Local Governments | \$ 224,615 |

| | |
|-------------------------------------|-----------|
| Education Funds: | |
| Illinois State Board of Education | 978,387 |
| Start Early | 225,185 |
| Regional Office of Education No. 11 | 52,315 |
| West 40 | 114,762 |
| Illinois Comptroller | 21,881 |
| | 1,392,530 |

| | |
|----------------------------|--------------|
| Illinois Empower: | |
| Local Governments | 10,425 |
| Nonmajor Enterprise Funds: | |
| Local Governments | 25,289 |
| | \$ 1,652,859 |

| | |
|-----------------------------------|--------------|
| Custodial Funds: | |
| Local Governments | \$ 220,550 |
| Illinois State Board of Education | 55,834 |
| Illinois Comptroller | 3,573,982 |
| | \$ 3,850,366 |

| | |
|-----------------------------------|------------|
| Due to Other Governments: | |
| Education Fund: | |
| Illinois State Board of Education | \$ 464,870 |

| | |
|-------------------|--------------|
| Custodial Funds: | |
| Local Governments | \$ 3,549,669 |

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 14 ON-BEHALF PAYMENTS

The Regional Office of Education No. 39 received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

| | |
|--|------------|
| State of Illinois: | |
| Regional Superintendent - salary | \$ 124,308 |
| Regional Superintendent - benefits (includes State paid insurance) | 39,078 |
| Assistant Regional Superintendent - salary | 111,876 |
| Assistance Regional Superintendent - benefits (includes State paid insurance) | 38,325 |
| | \$ 313,587 |

Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent was calculated based on data provided by the ISBE. The Regional Office of Education No. 39 recorded the on-behalf payments as both revenues and expenditures in the general fund.

The Regional Office of Education No. 39 also recorded \$498,907 in revenues and expenses as on-behalf payments from ISBE for the Regional Office of Education No. 39's share of the State's Teachers' Retirement System (TRS) pension expense and Teacher's Health Insurance Security Fund (THIS) OPEB benefit in the Statement of Activities. In addition, the Regional Office of Education No. 39 has not included any on-behalf payments related to the State's TRS pension expense and THIS OPEB expense for the Regional Superintendent or Assistant Regional Superintendent.

| | |
|---|------------|
| State of Illinois on-behalf payments | \$ 313,587 |
| Regional Office of Education No. 39's share of TRS pension expense | 514,598 |
| Regional Office of Education No. 39's share of THIS OPEB benefit | (15,691) |
| Total | \$ 812,494 |

NOTE 15 LEASES

The Regional Office of Education No. 39 leased the first floor of the Tech Academy Building located at 300 East Eldorado Street, Decatur, Illinois. The monthly rental payments were \$5,500. The lease also called for the Regional Office to pay all utilities and liability insurance. The Regional Office has a month-to-month commitment for this space.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 15 LEASES (Continued)

The Regional Office of Education No. 39 is committed through September 30, 2023 under a lease agreement for the building located at 1690 Huston Drive, Decatur, Illinois. The lease calls for monthly rental payments of \$4,800.

Beginning July 1, 2022, the Regional Office of Education No. 39 is committed through June 30, 2025 under a lease agreement for the building located at 3900 N. Neeley Avenue, Decatur, Illinois. The lease calls for monthly rental payments of \$1,200. The lease also called for the Regional Office to pay all utilities and liability insurance.

The Regional Office of Education No. 39 was committed through August 31, 2024 under a lease agreement for the copier located at the administrative office. The lease calls for monthly rental payments of \$395.

The counties served by the Regional Office of Education No. 39 are required by statute to provide the Regional Superintendents of Schools with office space. Therefore, Macon and Piatt Counties share a portion of the facility costs associated with the office space and reimburse the Regional Office of Education No. 39 for the rent, building maintenance and utilities expense incurred as a result of the lease for this office space.

The Regional Office of Education No. 39's cost of right-of-use assets as of June 30, 2022 was \$135,811. The right-of-use assets costs of \$125,485 of buildings and \$10,326 of equipment. The accumulated amortization of right-of-use assets as of June 30, 2022 was \$60,193. Interest expense of \$2,918 was attributable to lease payments on right-of-use assets for the year ended June 30, 2022.

The following is a schedule of payments required under the lease liabilities:

| Year Ending June 30, | Amount | Principal | Interest |
|----------------------|-----------|-----------|----------|
| 2023 | \$ 62,340 | \$ 60,881 | \$ 1,459 |
| 2024 | 15,585 | 15,508 | 77 |
| | \$ 77,925 | \$ 76,389 | \$ 1,536 |

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2022

NOTE 16 DEFICIT FUND BALANCES

The following individual funds had negative fund balances or net position as of June 30, 2022:

| | |
|------------------------------------|-----------|
| Baby Talk | \$ 11,442 |
| Spelling Bee | 3,556 |
| Start Early Training and Technical | 270,498 |
| Regional Safe Schools | 68,560 |
| Early Childhood Block Grant | 315 |
| ESSER Digital Equity | 11,545 |
| ESSER II | 9,922 |
| ESSER III | 17,700 |
| EANS | 114,763 |
| Social Emotional Learning | 600,789 |
| Skills SED | 2,216 |
| Illinois Empower | 85,902 |
| Apex Learning | 17,925 |

The Regional Office of Education No. 39 intends to reduce these deficits by collecting revenues that did not meet the criteria of "available", collecting additional fees and from transfers from other funds.

NOTE 17 RESTATEMENT

During 2022, the Regional Office of Education #39 determined that a receivable balance held by the Community Foundation of Macon County had been reported in error. The financial statements have been restated to remove the balance of \$47,805 from beginning fund balance and net position as follows:

| | As originally reported | Correction | As restated |
|---|---------------------------|------------|--------------|
| General Fund - Fund balance | \$ 2,200,364 | (47,805) | \$ 2,152,559 |
| Governmental Activities Net Position | (778,989) | (47,805) | (826,794) |

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (Unaudited)
Illinois Municipal Retirement Fund
Last Eight Calendar Years

| Calendar Year Ended December 31, | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | | | | |
| Service cost | \$ 106,891 | \$ 96,315 | \$ 115,507 | \$ 104,946 | \$ 132,618 | \$ 113,496 | \$ 112,435 | \$ 126,812 |
| Interest on the total pension liability | 462,905 | 451,114 | 421,774 | 399,330 | 390,829 | 374,591 | 343,318 | 313,188 |
| Differences between expected and actual experience of the total pension liability | (67,881) | (3,088) | 190,469 | 92,182 | (28,340) | (72,459) | 145,770 | (41,927) |
| Changes of assumptions | - | (37,737) | - | 157,382 | (145,312) | - | - | 166,432 |
| Benefit payments, including refunds of employee contributions | (373,069) | (327,432) | (354,002) | (231,446) | (213,776) | (203,593) | (166,549) | (149,424) |
| Net change in total pension liability | 128,846 | 179,172 | 373,748 | 522,394 | 136,019 | 212,035 | 434,974 | 415,081 |
| Total pension liability - beginning | 6,458,175 | 6,279,003 | 5,905,255 | 5,382,861 | 5,246,842 | 5,034,807 | 4,599,833 | 4,184,752 |
| Total pension liability - ending (A) | \$ 6,587,021 | \$ 6,458,175 | \$ 6,279,003 | \$ 5,905,255 | \$ 5,382,861 | \$ 5,246,842 | \$ 5,034,807 | \$ 4,599,833 |
| Plan fiduciary net position | | | | | | | | |
| Contributions - employer | \$ 158,170 | \$ 135,808 | \$ 101,334 | \$ 137,137 | \$ 141,334 | \$ 133,490 | \$ 113,014 | \$ 117,065 |
| Contributions - employees | 64,965 | 60,816 | 60,247 | 69,608 | 68,204 | 65,002 | 61,047 | 61,488 |
| Net investment income | 1,023,054 | 938,178 | 1,079,551 | (214,118) | 745,836 | 194,384 | (17,686) | 199,279 |
| Benefit payments, including refunds of employee contributions | (373,069) | (327,432) | (354,002) | (231,446) | (213,776) | (203,592) | (166,549) | (149,424) |
| Other (net transfer) | (3,406) | (4,404) | (5,552) | (4,007) | (4,039) | (3,440) | 2,489 | (2,632) |
| Net change in plan fiduciary net position | 869,714 | 802,966 | 881,578 | (242,826) | 737,559 | 185,844 | (7,685) | 225,776 |
| Plan fiduciary net position - beginning | 6,883,548 | 6,080,582 | 5,199,004 | 5,441,830 | 4,704,271 | 4,518,427 | 4,526,112 | 4,300,336 |
| Plan fiduciary net position - ending (B) | \$ 7,753,262 | \$ 6,883,548 | \$ 6,080,582 | \$ 5,199,004 | \$ 5,441,830 | \$ 4,704,271 | \$ 4,518,427 | \$ 4,526,112 |
| Net pension liability (asset) - ending (A) - (B) | \$ (1,166,241) | \$ (425,373) | \$ 198,421 | \$ 706,251 | \$ (58,969) | \$ 542,571 | \$ 516,380 | \$ 73,721 |
| Plan fiduciary net position as a percentage of the total pension liability | 117.71% | 106.59% | 96.84% | 88.04% | 101.10% | 89.66% | 89.74% | 98.40% |
| Covered payroll | \$ 1,131,401 | \$ 1,103,235 | \$ 1,028,768 | \$ 1,126,843 | \$ 1,131,576 | \$ 1,153,762 | \$ 1,039,682 | \$ 1,040,578 |
| Net pension liability (asset) as a percentage of covered payroll | -103.08% | -38.56% | 19.29% | 62.68% | (5.21%) | 47.03% | 49.67% | 7.08% |

Notes to Schedule:

Amounts are presented for the calendar years ended December 31.

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

Changes in assumptions:

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

For 2015, changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015.

For 2016, changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016.

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

For 2018, the assumed investment rate of return was lowered from 7.50% to 7.25%.

For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.

**Macon and Piatt Counties Regional Office of Education No. 39
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2022**

**Schedule of Employer Contributions (Unaudited)
Illinois Municipal Retirement Fund
Last Eight Calendar Years**

| Fiscal Year Ended June 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a Percentage of Covered Payroll |
|-------------------------------------|---|------------------------|--|--------------------|---|
| 2022 | \$ 131,643 | \$ 131,643 | - | \$ 1,110,034 | 11.86% |
| 2021 | 150,692 | 150,692 | - | 1,145,210 | 13.16% |
| 2020 | 114,316 * | 114,316 | - | 1,025,748 | 11.14% |
| 2019 | 122,844 | 122,844 | - | 1,112,892 | 11.04% |
| 2018 | 129,717 | 129,717 | - | 1,052,831 | 12.32% |
| 2017 | 149,957 | 149,957 | - | 1,245,550 | 12.04% |
| 2016 | 117,974 | 117,974 | - | 1,050,304 | 11.23% |
| 2015 | 113,013 | 113,014 | (1) | 1,039,682 | 10.87% |

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 2021 Contribution Rate*

Valuation Date:

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

Schedule of Employer Contributions (Unaudited)
Illinois Municipal Retirement Fund
Last Eight Calendar Years

Methods and Assumptions Used to Determine 2021 Contribution Rates:

| | |
|---------------------------------------|---|
| <i>Actuarial Cost Method:</i> | Aggregate entry age normal |
| <i>Amortization Method:</i> | Level percentage of payroll, closed |
| <i>Remaining Amortization Period:</i> | Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 22-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years). |
| <i>Asset Valuation Method:</i> | 5-year smoothed market; 20% corridor |
| <i>Wage Growth:</i> | 3.25% |
| <i>Price Inflation:</i> | 2.50% |
| <i>Salary Increases:</i> | 3.35% to 14.25%, including inflation |
| <i>Investment Rate of Return:</i> | 7.25% |
| <i>Retirement Age:</i> | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016. |
| <i>Mortality:</i> | For non-disabled retirees, an IMRF specific mortality 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, an 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, an IMRF specific mortality rates were used with fully generational projection scale MP-2017 (based year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. |

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2019 actuarial valuation; note two year lag between valuation and rate setting.

**Schedule of the Employer's Proportionate Share of the Net Pension Liability (Unaudited)
 Teachers' Retirement System of the State of Illinois
 Last Eight Fiscal Years**

| | 2021* | 2020* | 2019* | 2018* | 2017* | 2016* | 2015* | 2014* |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Employer's proportion of the net pension liability | 0.0109732500% | 0.0001141969% | 0.0001150254% | 0.0001299553% | 0.0030829930% | 0.0014413435% | 0.0010552849% | 0.0018134081% |
| Employer's proportionate share of the net pension liability | \$ 85,604 | \$ 98,455 | \$ 93,295 | \$ 101,293 | \$ 1,254,445 | \$ 697,874 | \$ 639,772 | \$ 740,498 |
| State's proportionate share of the net pension liability associated with the employer | 7,174,506 | 7,711,516 | 6,639,704 | 6,939,027 | 8,098,949 | 9,019,113 | 11,074,789 | 12,732,768 |
| Total | \$ 7,260,110 | \$ 7,809,971 | \$ 6,732,999 | \$ 7,040,320 | \$ 9,353,394 | \$ 9,716,987 | \$ 11,714,561 | \$ 13,473,266 |
| Employer's covered payroll | \$ 984,215 | \$ 956,206 | \$ 898,118 | \$ 930,867 | \$ 1,259,756 | \$ 1,780,774 | \$ 1,676,185 | \$ 2,092,479 |
| Employer's proportionate share of the net pension liability as a percentage of its covered payroll | 9% | 10% | 10% | 11% | 100% | 39% | 38% | 35% |
| Plan fiduciary net position as a percentage of the total pension liability | 45.1% | 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.

Notes to This Required Supplementary Information

Changes of assumptions

For the 2021 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

For the 2020-2016 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. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

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.

**Schedule of Employer Contributions (Unaudited)
Teachers' Retirement System of the State of Illinois
For the years ended June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014**

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------|--------------|--------------|--------------|--------------|----------------|---------------|---------------|---------------|
| Statutorily-required contribution | \$ 16,496 | \$ 5,708 | \$ 5,546 | \$ 5,209 | \$ 5,399 | \$ 122,413 | \$ 51,654 | \$ 33,460 | \$ 58,543 |
| Contributions in relation to the statutorily-required contribution | <u>16,496</u> | <u>5,708</u> | <u>5,546</u> | <u>5,209</u> | <u>5,399</u> | <u>122,413</u> | <u>51,654</u> | <u>33,460</u> | <u>58,543</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Employer's covered payroll | \$ 1,102,106 | \$ 984,215 | \$ 956,206 | \$ 898,118 | \$ 930,867 | \$ 1,259,756 | \$ 1,780,774 | \$ 1,676,185 | \$ 2,092,479 |
| Contributions as a percentage of covered payroll | 1.5% | 0.6% | 0.6% | 0.6% | 0.6% | 9.7% | 2.9% | 2.0% | 2.8% |

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

Macon and Piatt Counties Regional Office of Education No. 39
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2022

Schedule of the Employer's Contributions (Unaudited)
Teachers Health Insurance Security Fund
For the years ended June 30, 2022, 2021, 2020, 2019, 2018, 2017 and 2016

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Statutorily-required contribution | \$ 7,384 | \$ 8,764 | \$ 8,797 | \$ 8,263 | \$ 8,192 | \$ 9,189 | \$ 7,893 |
| Contributions in relation to the statutorily-required contribution | <u>7,384</u> | <u>8,764</u> | <u>8,797</u> | <u>8,263</u> | <u>8,192</u> | <u>9,189</u> | <u>7,893</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Employer's covered payroll | \$ 1,102,106 | \$ 984,215 | \$ 956,206 | \$ 898,118 | \$ 930,867 | \$ 1,259,756 | \$ 986,558 |
| Contributions as a percentage of covered payroll | 0.67% | 0.89% | 0.92% | 0.92% | 0.88% | 0.73% | 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.

Macon and Piatt Counties Regional Office of Education No. 39
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2022

Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability (Unaudited)
Teachers Health Insurance Security Fund
For the years ended June 30, 2022, 2021, 2020, 2019, 2018 and 2017

| | <u>2021*</u> | <u>2020*</u> | <u>2019*</u> | <u>2018*</u> | <u>2017*</u> | <u>2016*</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Employer's proportion of the collective net OPEB liability | 0.003792% | 0.003766% | 0.003668% | 0.003927% | 0.004755% | 0.004236% |
| Employer's proportionate share of the collective net OPEB liability | \$ 836,238 | \$ 1,006,813 | \$ 1,015,272 | \$ 1,034,573 | \$ 1,233,935 | \$ 1,157,819 |
| State's proportionate share of the collective net OPEB liability associated with the employer | <u>1,133,791</u> | <u>1,363,938</u> | <u>1,374,872</u> | <u>1,389,219</u> | <u>1,620,500</u> | <u>1,848,956</u> |
| Total | <u>\$ 1,970,029</u> | <u>\$ 2,370,751</u> | <u>\$ 2,390,144</u> | <u>\$ 2,423,792</u> | <u>\$ 2,854,435</u> | <u>\$ 3,006,775</u> |
| Employer's covered payroll | \$ 984,215 | \$ 956,206 | \$ 898,118 | \$ 930,867 | \$ 1,259,756 | \$ 986,558 |
| Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll | 84.96% | 105.29% | 113.04% | 111.14% | 97.95% | 117.36% |
| Plan fiduciary net position as a percentage of the total OPEB liability | .70% | .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.

Changes of Benefit Term

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

Changes of Assumptions

For the 2020, 2019 and 2018 measurement years, the assumed investment rate of return was 0.0 percent, including an inflation rate of 2.50 percent. Salary increases were assumed to depend on service and range from 9.50 percent at 1 year of service to 4.00 percent at 20 or more years of service. Salary increase includes a 3.25 percent 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 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.

**Macon and Piatt Counties Regional Office of Education No. 39
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2022**

**Schedule of Employer's Contributions (Unaudited)
Other Post Employment Benefits - Health Insurance
For the years ended June 30, 2022, 2021, 2020, 2019 and 2018**

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution | N/A | N/A | N/A | N/A | N/A |
| Contributions in relation to the actuarially determined contribution | - | - | - | - | - |
| Contribution deficiency (excess) | N/A | N/A | N/A | N/A | N/A |
| Employer's covered payroll | \$ 2,190,834 | \$ 1,932,419 | \$ 1,885,287 | \$ 1,610,927 | \$ 1,622,353 |
| Contributions as a percentage of covered payroll | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Note:

There is no ADC or Employer Contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB Liability. However, the Regional Office of Education No. 39 did make contributions from other Regional Office of Education No. 39 resources in the current year in the amount of \$ 19,094.

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.

Macon and Piatt Counties Regional Office of Education No. 39
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2022

Schedule of Changes in the Total OPEB Liability and Related Ratios (Unaudited)
Other Post Employment Benefits - Health Insurance
For the years ended June 30, 2022, 2021, 2020, 2019 and 2018

| Total OPEB liability | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Service cost | \$ 8,555 | \$ 7,906 | \$ 1,620 | \$ 8,093 | \$ 7,791 |
| Interest | 6,083 | 6,404 | 9,826 | 10,307 | 9,985 |
| Differences between expected and actual experience | (62,116) | - | (25,854) | - | - |
| Changes in assumptions | (41,292) | 1,449 | 45,280 | 7,820 | - |
| Benefit payments | (19,094) | (28,764) | (14,909) | (8,684) | (10,228) |
| Net change in total OPEB liability | (107,864) | (13,005) | 15,963 | 17,536 | 7,548 |
| Total OPEB liability - beginning | 291,165 | 304,170 | 288,207 | 270,671 | 263,123 |
| Total OPEB liability - ending | \$ 183,301 | \$ 291,165 | \$ 304,170 | \$ 288,207 | \$ 270,671 |
| | | | | | |
| Covered payroll | \$ 2,190,834 | \$ 1,932,419 | \$ 1,885,287 | \$ 1,610,927 | \$ 1,622,353 |
| | | | | | |
| Employer Total OPEB liability as a percentage of covered payroll | 8.37% | 15.07% | 16.13% | 17.89% | 16.68% |

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

Assumption Changes

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.50% to 3.21% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current Fiscal Year-End based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement No. 74 and Statement No. 75.

Since the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.50% to 3.21%.

SUPPLEMENTARY INFORMATION

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Accounts
June 30, 2022
Schedule 1

| | <u>General</u> | <u>Business Office</u> | <u>Pop Fund</u> |
|---|------------------|----------------------------|-----------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 9,059 | \$ - | \$ 2,260 |
| Investments | - | 124,628 | - |
| Accounts receivable | - | 1,950 | - |
| Prepaid expenses | - | - | - |
| Due from other funds | - | 522,565 | - |
| Due from other governments | 11,787 | 65,928 | - |
| TOTAL ASSETS | <u>20,846</u> | <u>715,071</u> | <u>2,260</u> |
| LIABILITIES | | | |
| Accounts payable | - | 2,578 | - |
| Accrued payroll and benefits | - | 1,512 | - |
| Due to other funds | - | - | - |
| Due to other governments | - | - | - |
| Unearned revenue | - | - | - |
| TOTAL LIABILITIES | <u>-</u> | <u>4,090</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | - | 37,586 | - |
| FUND BALANCES (DEFICITS) | | | |
| Assigned | - | - | - |
| Unassigned | 20,846 | 673,395 | 2,260 |
| TOTAL FUND BALANCES (DEFICITS) | <u>20,846</u> | <u>673,395</u> | <u>2,260</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS) | <u>\$ 20,846</u> | <u>\$ 715,071</u> | <u>\$ 2,260</u> |

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Accounts
June 30, 2022
Schedule 1

| | Junior Achievement | ADA State Aid | St. Mary's Hospital School |
|---|-------------------------------|----------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 3,483 | \$ - | \$ 112,129 |
| Investments | - | - | - |
| Accounts receivable | - | - | 31,545 |
| Prepaid expenses | - | - | - |
| Due from other funds | - | 917,692 | - |
| Due from other governments | - | - | - |
| TOTAL ASSETS | 3,483 | 917,692 | 143,674 |
| LIABILITIES | | | |
| Accounts payable | - | 1,916 | - |
| Accrued payroll and benefits | - | - | - |
| Due to other funds | - | - | - |
| Due to other governments | - | - | - |
| Unearned revenue | - | - | - |
| TOTAL LIABILITIES | - | 1,916 | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | - | - | 31,545 |
| FUND BALANCES (DEFICITS) | | | |
| Assigned | 3,483 | - | - |
| Unassigned | - | 915,776 | 112,129 |
| TOTAL FUND BALANCES (DEFICITS) | 3,483 | 915,776 | 112,129 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS) | \$ 3,483 | \$ 917,692 | \$ 143,674 |

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Accounts
June 30, 2022
Schedule 1

| | <u>Student Council</u> | <u>Recycling and Energy</u> | <u>Teachers' Exchange</u> | <u>Alternative Education Intervention</u> |
|---|----------------------------|---------------------------------|-------------------------------|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 119 | \$ 494 | \$ 13,848 | \$ 1,157 |
| Investments | - | - | - | - |
| Accounts receivable | - | - | - | - |
| Prepaid expenses | - | - | - | - |
| Due from other funds | - | - | - | - |
| Due from other governments | - | - | - | - |
| TOTAL ASSETS | <u>119</u> | <u>494</u> | <u>13,848</u> | <u>1,157</u> |
| LIABILITIES | | | | |
| Accounts payable | - | - | - | - |
| Accrued payroll and benefits | - | - | - | - |
| Due to other funds | - | - | - | - |
| Due to other governments | - | - | - | - |
| Unearned revenue | - | 494 | - | - |
| TOTAL LIABILITIES | <u>-</u> | <u>494</u> | <u>-</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue | - | - | - | - |
| FUND BALANCES (DEFICITS) | | | | |
| Assigned | 119 | - | - | 1,157 |
| Unassigned | - | - | 13,848 | - |
| TOTAL FUND BALANCES (DEFICITS) | <u>119</u> | <u>-</u> | <u>13,848</u> | <u>1,157</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS) | <u>\$ 119</u> | <u>\$ 494</u> | <u>\$ 13,848</u> | <u>\$ 1,157</u> |

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Accounts
June 30, 2022
Schedule 1

| | General State Aid | Baby Talk | Futures Foundation |
|---|------------------------------|-------------------|-------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 201,736 | \$ - | \$ 1,075 |
| Investments | - | - | - |
| Accounts receivable | - | 279,047 | - |
| Prepaid expenses | - | 12,000 | - |
| Due from other funds | 93,626 | - | - |
| Due from other governments | 146,900 | - | - |
| TOTAL ASSETS | 442,262 | 291,047 | 1,075 |
| LIABILITIES | | | |
| Accounts payable | 2,215 | - | - |
| Accrued payroll and benefits | - | - | - |
| Due to other funds | - | 302,489 | - |
| Due to other governments | - | - | - |
| Unearned revenue | - | - | - |
| TOTAL LIABILITIES | 2,215 | 302,489 | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | 95,050 | - | - |
| FUND BALANCES (DEFICITS) | | | |
| Assigned | - | - | 1,075 |
| Unassigned | 344,997 | (11,442) | - |
| TOTAL FUND BALANCES (DEFICITS) | 344,997 | (11,442) | 1,075 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS) | \$ 442,262 | \$ 291,047 | \$ 1,075 |

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Accounts
June 30, 2022
Schedule 1

| | Spelling Bee | School Improvement | Eliminations | Total |
|---|-------------------------|-------------------------------|---------------------|---------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ - | \$ 18 | \$ - | \$ 345,378 |
| Investments | - | - | - | 124,628 |
| Accounts receivable | - | - | - | 312,542 |
| Prepaid expenses | - | - | - | 12,000 |
| Due from other funds | - | - | (306,045) | 1,227,838 |
| Due from other governments | - | - | - | 224,615 |
| TOTAL ASSETS | - | 18 | (306,045) | 2,247,001 |
| LIABILITIES | | | | |
| Accounts payable | - | - | - | 6,709 |
| Accrued payroll and benefits | - | - | - | 1,512 |
| Due to other funds | 3,556 | - | (306,045) | - |
| Due to other governments | - | - | - | - |
| Unearned revenue | - | - | - | 494 |
| TOTAL LIABILITIES | 3,556 | - | (306,045) | 8,715 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue | - | - | - | 164,181 |
| FUND BALANCES (DEFICITS) | | | | |
| Assigned | - | - | - | 5,834 |
| Unassigned | (3,556) | 18 | - | 2,068,271 |
| TOTAL FUND BALANCES (DEFICITS) | (3,556) | 18 | - | 2,074,105 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS) | | | | |
| | \$ - | \$ 18 | \$ (306,045) | \$ 2,247,001 |

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022
Schedule 2

| | <u>General</u> | <u>Business Office</u> | <u>Pop Fund</u> |
|--|------------------|----------------------------|-----------------|
| REVENUES: | | | |
| Local sources | \$ - | \$ 164,529 | \$ 326 |
| State sources | - | - | - |
| On-behalf payments | 313,587 | - | - |
| Federal sources | - | - | - |
| Interest | 2,544 | 20,005 | - |
| | <u>316,131</u> | <u>184,534</u> | <u>326</u> |
| EXPENDITURES: | | | |
| Instructional services: | | | |
| Salaries and benefits | - | 92,758 | - |
| Purchased services | - | 14,641 | - |
| Supplies and materials | - | 18,095 | - |
| Other objects | - | - | - |
| Pension expense | - | 25,232 | - |
| OPEB expense | - | - | - |
| On-behalf payments | 313,587 | - | - |
| Capital outlay | - | 2,094 | - |
| Debt service: | | | |
| Repayment of long term lease payable | - | 54,904 | - |
| Interest on leases | - | 2,696 | - |
| Total expenditures | <u>313,587</u> | <u>210,420</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 2,544 | (25,886) | 326 |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>18,302</u> | <u>699,281</u> | <u>1,934</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ 20,846</u> | <u>\$ 673,395</u> | <u>\$ 2,260</u> |

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022
Schedule 2

| | <u>Junior Achievement</u> | <u>ADA State Aid</u> | <u>St. Mary's Hospital School</u> |
|--|-------------------------------|----------------------|---|
| REVENUES: | | | |
| Local sources | \$ - | \$ 3,978 | \$ 31,545 |
| State sources | - | 852,582 | - |
| On-behalf payments | - | - | - |
| Federal sources | - | 614 | - |
| Interest | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>-</u> | <u>857,174</u> | <u>31,545</u> |
| EXPENDITURES: | | | |
| Instructional services: | | | |
| Salaries and benefits | - | 867,815 | 66,049 |
| Purchased services | - | 109,788 | 596 |
| Supplies and materials | - | 7,598 | 134 |
| Other objects | - | - | - |
| Pension expense | - | 41,758 | (314) |
| OPEB expense | - | 2,986 | 368 |
| On-behalf payments | - | - | - |
| Capital outlay | - | 3,375 | - |
| Debt service: | | | |
| Repayment of long term lease payable | - | 4,518 | - |
| Interest on leases | - | 222 | - |
| Total expenditures | <u>-</u> | <u>1,038,060</u> | <u>66,833</u> |
| NET CHANGE IN FUND BALANCE | - | (180,886) | (35,288) |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>3,483</u> | <u>1,096,662</u> | <u>147,417</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ 3,483</u> | <u>\$ 915,776</u> | <u>\$ 112,129</u> |

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022
Schedule 2

| | <u>Student Council</u> | <u>Recycling and Energy</u> | <u>Teachers' Exchange</u> | <u>Alternative Education Intervention</u> |
|--|----------------------------|---------------------------------|-------------------------------|---|
| REVENUES: | | | | |
| Local sources | \$ - | \$ - | \$ 839 | \$ - |
| State sources | - | - | - | - |
| On-behalf payments | - | - | - | - |
| Federal sources | - | - | - | - |
| Interest | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenues | - | - | 839 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| EXPENDITURES: | | | | |
| Instructional services: | | | | |
| Salaries and benefits | - | - | - | - |
| Purchased services | - | - | - | - |
| Supplies and materials | - | - | - | - |
| Other objects | - | - | - | - |
| Pension expense | - | - | - | - |
| OPEB expense | - | - | - | - |
| On-behalf payments | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Repayment of long term lease payable | - | - | - | - |
| Interest on leases | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditures | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| NET CHANGE IN FUND BALANCE | - | - | 839 | - |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <hr/> 119 | <hr/> - | <hr/> 13,009 | <hr/> 1,157 |
| FUND BALANCE (DEFICIT), END OF YEAR | <hr/> <u>\$ 119</u> | <hr/> <u>\$ -</u> | <hr/> <u>\$ 13,848</u> | <hr/> <u>\$ 1,157</u> |

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022
Schedule 2

| | <u>General State Aid</u> | <u>Baby Talk</u> | <u>Futures Foundation</u> |
|--|------------------------------|--------------------|-------------------------------|
| REVENUES: | | | |
| Local sources | \$ 183,860 | \$ 279,047 | \$ - |
| State sources | 341,553 | - | - |
| On-behalf payments | - | - | - |
| Federal sources | - | - | - |
| Interest | - | - | - |
| | | | |
| Total revenues | <u>525,413</u> | <u>279,047</u> | <u>-</u> |
| | | | |
| EXPENDITURES: | | | |
| Instructional services: | | | |
| Salaries and benefits | 298,991 | 180,559 | - |
| Purchased services | 50,283 | 86,805 | - |
| Supplies and materials | 5,057 | - | - |
| Other objects | 78 | - | - |
| Pension expense | 9,620 | 8,173 | - |
| OPEB expense | 1,189 | 622 | - |
| On-behalf payments | - | - | - |
| Capital outlay | - | - | - |
| Debt service: | | | |
| Repayment of long term lease payable | - | - | - |
| Interest on leases | - | - | - |
| Total expenditures | <u>365,218</u> | <u>276,159</u> | <u>-</u> |
| | | | |
| NET CHANGE IN FUND BALANCE | 160,195 | 2,888 | - |
| | | | |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR (AS RESTATED) | <u>184,802</u> | <u>(14,330)</u> | <u>1,075</u> |
| | | | |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ 344,997</u> | <u>\$ (11,442)</u> | <u>\$ 1,075</u> |

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022
Schedule 2

| | <u>Spelling Bee</u> | <u>School Improvement</u> | <u>Total</u> |
|--|---------------------|-------------------------------|---------------------|
| REVENUES: | | | |
| Local sources | \$ 2,803 | \$ - | \$ 666,927 |
| State sources | - | - | 1,194,135 |
| On-behalf payments | - | - | 313,587 |
| Federal sources | - | - | 614 |
| Interest | - | - | 22,549 |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 2,803 | - | 2,197,812 |
| EXPENDITURES: | | | |
| Instructional services: | | | |
| Salaries and benefits | - | - | 1,506,172 |
| Purchased services | 1,188 | - | 263,301 |
| Supplies and materials | 4,801 | - | 35,685 |
| Other objects | - | - | 78 |
| Pension expense | - | - | 84,469 |
| OPEB expense | - | - | 5,165 |
| On-behalf payments | - | - | 313,587 |
| Capital outlay | - | - | 5,469 |
| Debt service: | | | |
| Repayment of long term lease payable | - | - | 59,422 |
| Interest on leases | - | - | 2,918 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 5,989 | - | 2,276,266 |
| NET CHANGE IN FUND BALANCE | (3,186) | - | (78,454) |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | (370) | 18 | 2,152,559 |
| | <hr/> | <hr/> | <hr/> |
| FUND BALANCE (DEFICIT), END OF YEAR | \$ (3,556) | \$ 18 | \$ 2,074,105 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund
Combining Schedules of Accounts
June 30, 2022
Schedule 3

| | Truants Alternative/ Optional Education | ROE/ISC Operations | Start Early Training and Technical | Regional Safe Schools |
|---|--|-------------------------------|---|----------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ - | \$ 5,091 | \$ - | \$ - |
| Prepaid expenses | - | - | - | - |
| Due from other governments | - | - | 225,185 | 77,659 |
| TOTAL ASSETS | - | 5,091 | 225,185 | 77,659 |
| LIABILITIES | | | | |
| Accounts payable | - | 5,091 | 32,770 | - |
| Due to other funds | - | - | 237,728 | 77,652 |
| Due to other governments | - | - | - | - |
| TOTAL LIABILITIES | - | 5,091 | 270,498 | 77,652 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue | - | - | 225,185 | 68,567 |
| FUND BALANCES (DEFICITS) | | | | |
| Restricted | - | - | - | - |
| Unassigned | - | - | (270,498) | (68,560) |
| TOTAL FUND BALANCES (DEFICITS) | - | - | (270,498) | (68,560) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS) | \$ - | \$ 5,091 | \$ 225,185 | \$ 77,659 |

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund
Combining Schedules of Accounts
June 30, 2022
Schedule 3

| | Early Childhood Block Grant | Not on Tobacco | Homeless Children Youth Program | Regional Safe School Cooperative Education Program |
|---|--|-------------------------------|--|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 368,238 | \$ 394 | \$ - | \$ - |
| Prepaid expenses | - | - | - | - |
| Due from other governments | 234,558 | - | 21,881 | - |
| TOTAL ASSETS | <u>602,796</u> | <u>394</u> | <u>21,881</u> | <u>-</u> |
| LIABILITIES | | | | |
| Accounts payable | 138,241 | - | 201 | - |
| Due to other funds | - | - | 21,593 | - |
| Due to other governments | 464,870 | - | - | - |
| TOTAL LIABILITIES | <u>603,111</u> | <u>-</u> | <u>21,794</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue | - | - | - | - |
| FUND BALANCES (DEFICITS) | | | | |
| Restricted | - | 394 | 87 | - |
| Unassigned | (315) | - | - | - |
| TOTAL FUND BALANCES (DEFICITS) | <u>(315)</u> | <u>394</u> | <u>87</u> | <u>-</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS) | | | | |
| | <u>\$ 602,796</u> | <u>\$ 394</u> | <u>\$ 21,881</u> | <u>\$ -</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund
Combining Schedules of Accounts
June 30, 2022
Schedule 3

| | Family Violence Counseling | ESSER Digital Equity | ESSER Emergency Relief | Baby Talk Emergency Relief | ARP Homeless |
|---|---|-------------------------------------|---------------------------------------|---|-------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - |
| Prepaid expenses | - | 13,107 | - | - | - |
| Due from other governments | - | 37,759 | - | - | 52,315 |
| TOTAL ASSETS | <u>-</u> | <u>50,866</u> | <u>-</u> | <u>-</u> | <u>52,315</u> |
| LIABILITIES | | | | | |
| Accounts payable | - | - | - | - | - |
| Due to other funds | - | 37,759 | - | - | 6,315 |
| Due to other governments | - | - | - | - | - |
| TOTAL LIABILITIES | <u>-</u> | <u>37,759</u> | <u>-</u> | <u>-</u> | <u>6,315</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | - | 24,652 | - | - | 46,000 |
| FUND BALANCES (DEFICITS) | | | | | |
| Restricted | - | - | - | - | - |
| Unassigned | - | (11,545) | - | - | - |
| TOTAL FUND BALANCES (DEFICITS) | <u>-</u> | <u>(11,545)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS) | <u>\$ -</u> | <u>\$ 50,866</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 52,315</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund
Combining Schedules of Accounts
June 30, 2022
Schedule 3

| | <u>ESSER II</u> | <u>ESSER III</u> | <u>EANS</u> | <u>Social Emotional Learning</u> | <u>Total</u> |
|---|-----------------|------------------|-------------------|--|---------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ 373,723 |
| Prepaid expenses | - | - | - | - | 13,107 |
| Due from other governments | 9,922 | 17,700 | 114,762 | 600,789 | 1,392,530 |
| TOTAL ASSETS | <u>9,922</u> | <u>17,700</u> | <u>114,762</u> | <u>600,789</u> | <u>1,779,360</u> |
| LIABILITIES | | | | | |
| Accounts payable | - | - | 6,742 | 29,948 | 212,993 |
| Due to other funds | 9,922 | 17,700 | 108,021 | 570,841 | 1,087,531 |
| Due to other governments | - | - | - | - | 464,870 |
| TOTAL LIABILITIES | <u>9,922</u> | <u>17,700</u> | <u>114,763</u> | <u>600,789</u> | <u>1,765,394</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | 9,922 | 17,700 | 114,762 | 600,789 | 1,107,577 |
| FUND BALANCES (DEFICITS) | | | | | |
| Restricted | - | - | - | - | 481 |
| Unassigned | (9,922) | (17,700) | (114,763) | (600,789) | (1,094,092) |
| TOTAL FUND BALANCES (DEFICITS) | <u>(9,922)</u> | <u>(17,700)</u> | <u>(114,763)</u> | <u>(600,789)</u> | <u>(1,093,611)</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS) | <u>\$ 9,922</u> | <u>\$ 17,700</u> | <u>\$ 114,762</u> | <u>\$ 600,789</u> | <u>\$ 1,779,360</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022
Schedule 4

| | Truants Alternative/ Optional Education | ROE/ISC Operations | Start Early Training and Technical | Regional Safe Schools |
|--|--|-------------------------------|---|----------------------------------|
| REVENUES: | | | | |
| State sources | \$ 287,992 | \$ 123,136 | \$ 396,138 | \$ 85,508 |
| Federal sources | - | - | - | - |
| Total revenues | <u>287,992</u> | <u>123,136</u> | <u>396,138</u> | <u>85,508</u> |
| EXPENDITURES: | | | | |
| Instructional services: | | | | |
| Salaries and benefits | 267,396 | 84,939 | 155,013 | 76,484 |
| Purchased services | 5,150 | 32,684 | 244,432 | 623 |
| Supplies and materials | 75 | 3,990 | - | - |
| Other objects | - | - | 24,742 | - |
| Pension expense | 15,020 | 197 | 13,670 | 256 |
| OPEB expense | 351 | 227 | 58 | 296 |
| Capital outlay | - | 1,099 | - | - |
| Total expenditures | <u>287,992</u> | <u>123,136</u> | <u>437,915</u> | <u>77,659</u> |
| NET CHANGE IN FUND BALANCE | - | - | (41,777) | 7,849 |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>(228,721)</u> | <u>(76,409)</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (270,498)</u> | <u>\$ (68,560)</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022
Schedule 4

| | Early Childhood Block Grant | Not on Tobacco | Homeless Children Youth Program | Regional Safe School Cooperative Education Program |
|--|--|-------------------------------|--|---|
| REVENUES: | | | | |
| State sources | \$ 1,540,000 | \$ - | \$ - | \$ 39,137 |
| Federal sources | - | - | 37,355 | - |
| Total revenues | <u>1,540,000</u> | <u>-</u> | <u>37,355</u> | <u>39,137</u> |
| EXPENDITURES: | | | | |
| Instructional services: | | | | |
| Salaries and benefits | 172,920 | - | 22,885 | 37,887 |
| Purchased services | 1,306,517 | - | 1,295 | 902 |
| Supplies and materials | - | - | 7,392 | 348 |
| Other objects | 49,402 | - | - | - |
| Pension expense | 10,758 | - | 1,426 | - |
| OPEB expense | 403 | - | - | - |
| Capital outlay | - | - | 2,079 | - |
| Total expenditures | <u>1,540,000</u> | <u>-</u> | <u>35,077</u> | <u>39,137</u> |
| NET CHANGE IN FUND BALANCE | - | - | 2,278 | - |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>(315)</u> | <u>394</u> | <u>(2,191)</u> | <u>-</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ (315)</u> | <u>\$ 394</u> | <u>\$ 87</u> | <u>\$ -</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022
Schedule 4

| | <u>Family Violence Counseling</u> | <u>ESSR Digital Equity</u> | <u>ESSR Emergency Relief</u> | <u>Baby Talk Emergency Relief</u> | <u>ARP Homeless</u> |
|--|---|------------------------------------|--------------------------------------|---|-------------------------|
| REVENUES: | | | | | |
| State sources | \$ 30,855 | \$ - | \$ - | \$ - | \$ - |
| Federal sources | - | 13,107 | 2,685 | 26,555 | 6,315 |
| Total revenues | <u>30,855</u> | <u>13,107</u> | <u>2,685</u> | <u>26,555</u> | <u>6,315</u> |
| EXPENDITURES: | | | | | |
| Instructional services: | | | | | |
| Salaries and benefits | - | - | - | - | - |
| Purchased services | 15,000 | - | - | - | 4,000 |
| Supplies and materials | - | 12,772 | - | - | 2,315 |
| Other objects | - | - | - | - | - |
| Pension expense | - | - | - | - | - |
| OPEB expense | - | - | - | - | - |
| Capital outlay | - | 11,880 | - | - | - |
| Total expenditures | <u>15,000</u> | <u>24,652</u> | <u>-</u> | <u>-</u> | <u>6,315</u> |
| NET CHANGE IN FUND BALANCE | 15,855 | (11,545) | 2,685 | 26,555 | - |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>(15,855)</u> | <u>-</u> | <u>(2,685)</u> | <u>(26,555)</u> | <u>-</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ -</u> | <u>\$ (11,545)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022
Schedule 4

| | <u>ESSER II</u> | <u>ESSER III</u> | <u>EANS</u> | <u>Social Emotional Learning</u> | <u>Total</u> |
|--|-------------------|--------------------|---------------------|--|-----------------------|
| REVENUES: | | | | | |
| State sources | \$ - | \$ - | \$ - | \$ - | \$ 2,502,766 |
| Federal sources | - | - | 33,869 | - | 119,886 |
| Total revenues | <u>-</u> | <u>-</u> | <u>33,869</u> | <u>-</u> | <u>2,622,652</u> |
| EXPENDITURES: | | | | | |
| Instructional services: | | | | | |
| Salaries and benefits | 8,266 | 17,700 | - | 181,788 | 1,025,278 |
| Purchased services | - | - | - | 365,487 | 1,976,090 |
| Supplies and materials | 1,370 | - | 51,865 | 27,676 | 107,803 |
| Other objects | - | - | 33,870 | - | 108,014 |
| Pension expense | 286 | - | - | 10,200 | 51,813 |
| OPEB expense | - | - | - | 657 | 1,992 |
| Capital outlay | - | - | 62,897 | 14,981 | 92,936 |
| Total expenditures | <u>9,922</u> | <u>17,700</u> | <u>148,632</u> | <u>600,789</u> | <u>3,363,926</u> |
| NET CHANGE IN FUND BALANCE | (9,922) | (17,700) | (114,763) | (600,789) | (741,274) |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(352,337)</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ (9,922)</u> | <u>\$ (17,700)</u> | <u>\$ (114,763)</u> | <u>\$ (600,789)</u> | <u>\$ (1,093,611)</u> |

**Macon and Piatt Counties Regional Office of Education No. 39
 Budgetary Comparison Schedule - Education Fund Accounts
 Truants Alternative/Optional Education
 For the Year Ended June 30, 2022
 Schedule 5**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> |
|--|-------------------------|----------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES: | | | |
| State sources | \$ 287,992 | \$ 287,992 | \$ 287,992 |
| EXPENDITURES: | | | |
| Salaries and benefits | 282,884 | 282,884 | 267,396 |
| Purchased services | 5,033 | 5,033 | 5,150 |
| Supplies and materials | 75 | 75 | 75 |
| Pension expense | - | - | 15,020 |
| OPEB expense | - | - | 351 |
| Total expenditures | <u>287,992</u> | <u>287,992</u> | <u>287,992</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | - |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>-</u> |
| FUND BALANCE, END OF YEAR | | | <u>\$ -</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
ROE/ISC Operations
For the Year Ended June 30, 2022
Schedule 5

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> |
|--|-------------------------|--------------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES: | | | |
| State sources | <u>\$ 123,136</u> | <u>\$ 123,136</u> | <u>\$ 123,136</u> |
| EXPENDITURES: | | | |
| Salaries and benefits | 85,404 | 85,404 | 84,939 |
| Purchased services | 32,732 | 32,732 | 32,684 |
| Supplies and materials | 4,000 | 4,000 | 3,990 |
| Capital outlay | 1,000 | 1,000 | 1,099 |
| Pension expense | - | - | 197 |
| OPEB expense | - | - | 227 |
| Total expenditures | <u>123,136</u> | <u>123,136</u> | <u>123,136</u> |
| NET CHANGE IN FUND BALANCE | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | - |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>-</u> |
| FUND BALANCE, END OF YEAR | | | <u><u>\$ -</u></u> |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
Start Early -Training and Technical
For the Year Ended June 30, 2022
Schedule 5

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> |
|--|-------------------------|----------------|---------------------------------|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES: | | | |
| State sources | \$ 437,500 | \$ 437,500 | \$ 396,138 |
| EXPENDITURES: | | | |
| Salaries and benefits | 169,416 | 169,416 | 155,013 |
| Purchased services | 243,342 | 243,342 | 244,432 |
| Other objects | 24,742 | 24,742 | 24,742 |
| Pension expense | - | - | 13,670 |
| OPEB expense | - | - | 58 |
| Total expenditures | <u>437,500</u> | <u>437,500</u> | <u>437,915</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | (41,777) |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>(228,721)</u> |
| FUND BALANCE, END OF YEAR | | | <u>\$ (270,498)</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
Regional Safe Schools
For the Year Ended June 30, 2022
Schedule 5

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> |
|--|-------------------------|---------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES: | | | |
| State revenues | \$ 77,659 | \$ 77,659 | \$ 85,508 |
| EXPENDITURES: | | | |
| Salaries and benefits | 76,453 | 76,453 | 76,484 |
| Purchased services | 678 | 678 | 623 |
| Pension expense | 528 | 528 | 256 |
| OPEB expense | - | - | 296 |
| Total expenditures | <u>77,659</u> | <u>77,659</u> | <u>77,659</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 7,849 |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>(76,409)</u> |
| FUND BALANCE, END OF YEAR | | | <u>\$ (68,560)</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
Early Childhood Block Grant
For the Year Ended June 30, 2022
Schedule 5

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> |
|--|-------------------------|------------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES: | | | |
| State sources | \$ 1,770,886 | \$ 1,540,000 | \$ 1,540,000 |
| EXPENDITURES: | | | |
| Salaries and benefits | 176,217 | 176,217 | 172,920 |
| Purchased services | 1,487,507 | 1,295,226 | 1,306,517 |
| Supplies and materials | 4,200 | 4,200 | - |
| Other objects | 76,997 | 54,408 | 49,402 |
| Pension expense | 9,949 | 9,949 | 10,758 |
| OPEB expense | - | - | 403 |
| Capital outlay | 16,016 | - | - |
| Total expenditures | <u>1,770,886</u> | <u>1,540,000</u> | <u>1,540,000</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | - |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>(315)</u> |
| FUND BALANCE, END OF YEAR | | | <u>\$ (315)</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
Homeless Children Youth Program
For the Year Ended June 30, 2022
Schedule 5

| | Budgeted Amounts | | Actual Amounts |
|--|-------------------------|---------------|---------------------------|
| | Original | Final | |
| REVENUES: | | | |
| Federal sources | \$ 34,114 | \$ 35,164 | \$ 37,355 |
| EXPENDITURES: | | | |
| Salaries and benefits | 22,942 | 24,376 | 22,885 |
| Purchased services | 7,700 | 6,887 | 1,295 |
| Supplies and materials | 3,472 | 1,621 | 7,392 |
| Pension expense | - | - | 1,426 |
| Capital outlay | - | 2,280 | 2,079 |
| Total expenditures | <u>34,114</u> | <u>35,164</u> | <u>35,077</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 2,278 |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>(2,191)</u> |
| FUND BALANCE, END OF YEAR | | | <u>\$ 87</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
Regional Safe School Cooperative Education Program
For the Year Ended June 30, 2022
Schedule 5

| | Budgeted Amounts | | Actual |
|--|-------------------------|--------------|----------------|
| | Original | Final | Amounts |
| REVENUES: | | | |
| State sources | \$ 39,137 | \$ 39,137 | \$ 39,137 |
| EXPENDITURES: | | | |
| Salaries and benefits | 37,590 | 37,590 | 37,887 |
| Purchased services | 977 | 977 | 902 |
| Supplies and materials | 570 | 570 | 348 |
| Total expenditures | 39,137 | 39,137 | 39,137 |
| NET CHANGE IN FUND BALANCE | \$ - | \$ - | - |
| FUND BALANCE, BEGINNING OF YEAR | | | - |
| FUND BALANCE, END OF YEAR | | | \$ - |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
Family Violence Counseling
For the Year Ended June 30, 2022
Schedule 5

| | Budgeted Amounts | | Actual |
|--|-------------------------|--------------|----------------|
| | Original | Final | Amounts |
| REVENUES: | | | |
| State sources | \$ 37,520 | \$ 37,520 | \$ 30,855 |
| EXPENDITURES: | | | |
| Purchased services | 37,520 | 37,520 | 15,000 |
| Other objects | - | - | - |
| Total expenditures | 37,520 | 37,520 | 15,000 |
| NET CHANGE IN FUND BALANCE | \$ - | \$ - | 15,855 |
| FUND BALANCE, BEGINNING OF YEAR | | | (15,855) |
| FUND BALANCE, END OF YEAR | | | \$ - |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
ESSER Digital Equity
For the Year Ended June 30, 2022
Schedule 5

| | Budgeted Amounts | | Actual |
|--|-------------------------|--------------|----------------|
| | Original | Final | Amounts |
| REVENUES: | | | |
| Federal sources | \$ 27,685 | \$ 27,685 | \$ 13,107 |
| EXPENDITURES: | | | |
| Supplies and materials | 17,605 | 17,605 | 12,772 |
| Capital outlay | 10,080 | 10,080 | 11,880 |
| Total expenditures | 27,685 | 27,685 | 24,652 |
| NET CHANGE IN FUND BALANCE | \$ - | \$ - | (11,545) |
| FUND BALANCE, BEGINNING OF YEAR | | | - |
| FUND BALANCE, END OF YEAR | | | \$ (11,545) |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
ESSER Emergency Relief
For the Year Ended June 30, 2022
Schedule 5

| | Budgeted Amounts | | Actual Amounts |
|--|-------------------------|--------------|---------------------------|
| | Original | Final | |
| REVENUES: | | | |
| Federal sources | \$ - | \$ - | \$ 2,685 |
| EXPENDITURES: | | | |
| Supplies and materials | - | - | - |
| Capital outlay | - | - | - |
| Total expenditures | - | - | - |
| NET CHANGE IN FUND BALANCE | \$ - | \$ - | 2,685 |
| FUND BALANCE, BEGINNING OF YEAR | | | (2,685) |
| FUND BALANCE, END OF YEAR | | | \$ - |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
Baby Talk Emergency Relief
For the Year Ended June 30, 2022
Schedule 5

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> |
|--|-------------------------|--------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES: | | | |
| Federal sources | \$ - | \$ - | \$ 26,555 |
| EXPENDITURES: | | | |
| Supplies and materials | - | - | - |
| Capital outlay | - | - | - |
| Total expenditures | - | - | - |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 26,555 |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>(26,555)</u> |
| FUND BALANCE, END OF YEAR | | | <u>\$ -</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
ARP Homeless
For the Year Ended June 30, 2022
Schedule 5

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> |
|--|-------------------------|---------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES: | | | |
| Federal sources | \$ 52,315 | \$ 52,315 | \$ 6,315 |
| EXPENDITURES: | | | |
| Purchased services | 50,000 | 50,000 | 4,000 |
| Supplies and materials | 2,315 | 2,315 | 2,315 |
| Total expenditures | <u>52,315</u> | <u>52,315</u> | <u>6,315</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | - |
| FUND BALANCE, BEGINNING OF YEAR | | | - |
| FUND BALANCE, END OF YEAR | | | <u>\$ -</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
ESSER II
For the Year Ended June 30, 2022
Schedule 5

| | Budgeted Amounts | | Actual Amounts |
|--|-------------------------|--------------|---------------------------|
| | Original | Final | |
| REVENUES: | | | |
| Federal sources | \$ 9,922 | \$ 9,922 | \$ - |
| EXPENDITURES: | | | |
| Salaries and benefits | 8,552 | 8,552 | 8,266 |
| Supplies and materials | 1,370 | 1,370 | 1,370 |
| Pension expense | - | - | 286 |
| Total expenditures | <u>9,922</u> | <u>9,922</u> | <u>9,922</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | (9,922) |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>-</u> |
| FUND BALANCE, END OF YEAR | | | <u>\$ (9,922)</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
ESSER III
For the Year Ended June 30, 2022
Schedule 5

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> |
|--|-------------------------|---------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES: | | | |
| Federal sources | \$ 90,747 | \$ 90,747 | \$ - |
| EXPENDITURES: | | | |
| Salaries and benefits | 17,700 | 17,700 | 17,700 |
| Purchased services | 58,047 | 58,047 | - |
| Supplies and materials | 15,000 | 15,000 | - |
| Total expenditures | <u>90,747</u> | <u>90,747</u> | <u>17,700</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | (17,700) |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>-</u> |
| FUND BALANCE, END OF YEAR | | | <u>\$ (17,700)</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
Emergency Assistance to Nonpublic Schools
For the Year Ended June 30, 2022
Schedule 5

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> |
|--|-------------------------|----------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES: | | | |
| Federal sources | \$ 272,355 | \$ 272,355 | \$ 33,869 |
| EXPENDITURES: | | | |
| Purchased services | 2,497 | 2,497 | - |
| Supplies and materials | - | - | 51,865 |
| Payments to other governments | 269,858 | 269,858 | 33,870 |
| Capital outlay | - | - | 62,897 |
| Total expenditures | <u>272,355</u> | <u>272,355</u> | <u>148,632</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | (114,763) |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>-</u> |
| FUND BALANCE, END OF YEAR | | | <u>\$ (114,763)</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Budgetary Comparison Schedule - Education Fund Accounts
Social Emotional Learning
For the Year Ended June 30, 2022
Schedule 5

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> |
|--|-------------------------|------------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES: | | | |
| Federal sources | \$ 857,143 | \$ 1,714,286 | \$ - |
| EXPENDITURES: | | | |
| Salaries and benefits | 258,963 | 349,844 | 181,788 |
| Purchased services | 594,955 | 1,141,099 | 365,487 |
| Supplies and materials | 1,000 | 160,000 | 27,676 |
| Payments to other governments | - | - | - |
| Pension expense | 1,225 | 21,343 | 10,200 |
| OPEB expense | - | - | 657 |
| Capital outlay | 1,000 | 42,000 | 14,981 |
| Total expenditures | <u>857,143</u> | <u>1,714,286</u> | <u>600,789</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | (600,789) |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>-</u> |
| FUND BALANCE, END OF YEAR | | | <u>\$ (600,789)</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2022
Schedule 6

| | <u>Institute</u> | <u>General Education Development</u> | <u>Bus Permit</u> | <u>Skills SED</u> | <u>Total</u> |
|---|-------------------|--|-----------------------|-----------------------|-------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 133,787 | \$ 3,060 | \$ 7,668 | \$ - | \$ 144,515 |
| LIABILITIES | | | | | |
| Accounts payable | - | - | - | 1,777 | 1,777 |
| Due to other funds | - | - | - | 439 | 439 |
| Total liabilities | - | - | - | 2,216 | 2,216 |
| FUND BALANCE | | | | | |
| Restricted | 133,787 | 3,060 | 7,668 | - | 144,515 |
| Unassigned | - | - | - | (2,216) | (2,216) |
| Total fund balance | 133,787 | 3,060 | 7,668 | (2,216) | 142,299 |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 133,787</u> | <u>\$ 3,060</u> | <u>\$ 7,668</u> | <u>\$ -</u> | <u>\$ 144,515</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022
Schedule 7

| | Institute | General Education Development | Bus Permit | Skills SED | Total |
|---|-------------------|--|-----------------------|-----------------------|-------------------|
| REVENUES: | | | | | |
| Local sources | \$ 35,436 | \$ 3,995 | \$ 3,828 | \$ 18,500 | \$ 61,759 |
| State sources | - | - | 1,359 | - | 1,359 |
| Total revenues | <u>35,436</u> | <u>3,995</u> | <u>5,187</u> | <u>18,500</u> | <u>63,118</u> |
| EXPENDITURES: | | | | | |
| Instructional services: | | | | | |
| Salaries and benefits | 16,181 | - | 4,566 | 16,530 | 37,277 |
| Purchased services | 6,667 | 4,150 | 73 | - | 10,890 |
| Supplies and materials | - | 13 | - | 1,777 | 1,790 |
| Pension expense | 1,590 | - | 229 | - | 1,819 |
| Other objects | - | - | - | 2,409 | 2,409 |
| Total expenditures | <u>24,438</u> | <u>4,163</u> | <u>4,868</u> | <u>20,716</u> | <u>54,185</u> |
| NET CHANGE IN FUND BALANCES | 10,998 | (168) | 319 | (2,216) | 8,933 |
| FUND BALANCES, BEGINNING OF YEAR | <u>122,789</u> | <u>3,228</u> | <u>7,349</u> | <u>-</u> | <u>133,366</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 133,787</u> | <u>\$ 3,060</u> | <u>\$ 7,668</u> | <u>\$ (2,216)</u> | <u>\$ 142,299</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Custodial Funds
Combining Statement of Fiduciary Net Position
June 30, 2022
Schedule 8

| | <u>Heartland Region Fund</u> | <u>Regional Board of Trustees</u> | <u>School Occupation Facility Tax</u> | <u>Decatur Community Partnership</u> | <u>Total</u> |
|---|----------------------------------|---------------------------------------|---|--|-------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 460,454 | \$ 1,350 | \$ - | \$ - | \$ 461,804 |
| Due from other governments | 220,550 | - | 3,573,982 | 55,834 | 3,850,366 |
| Total assets | <u>681,004</u> | <u>1,350</u> | <u>3,573,982</u> | <u>55,834</u> | <u>4,312,170</u> |
| LIABILITIES | | | | | |
| Accounts payable | 76,349 | - | - | 2,708 | 79,057 |
| Due to other governments | - | - | 3,537,882 | 11,787 | 3,549,669 |
| Total liabilities | <u>76,349</u> | <u>-</u> | <u>3,537,882</u> | <u>14,495</u> | <u>3,628,726</u> |
| NET POSITION | | | | | |
| Restricted for other individuals and governments | <u>\$ 604,655</u> | <u>\$ 1,350</u> | <u>\$ 36,100</u> | <u>\$ 41,339</u> | <u>\$ 683,444</u> |

Macon and Piatt Counties Regional Office of Education No. 39
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022
Schedule 9

| | <u>Heartland Region Fund</u> | <u>Regional Board of Trustees</u> | <u>School Occupation Facility Tax</u> | <u>Decatur Community Partnership</u> | <u>Total</u> |
|---|----------------------------------|---------------------------------------|---|--|-------------------|
| ADDITIONS: | | | | | |
| Salese tax collections | | | | | |
| for other governments | \$ - | \$ - | \$ 12,988,542 | \$ - | \$ 12,988,542 |
| Interest | - | - | 36,100 | - | 36,100 |
| Other revenue | - | - | - | 1,830 | 1,830 |
| Education collections | | | | | |
| for local governments | 1,757,099 | - | - | 126,395 | 1,883,494 |
| Total additions | <u>1,757,099</u> | <u>-</u> | <u>13,024,642</u> | <u>128,225</u> | <u>14,909,966</u> |
| DEDUCTIONS: | | | | | |
| Payments of sales tax | | | | | |
| to other governments | - | - | 12,988,542 | - | 12,988,542 |
| Administrative expense | 45,000 | - | - | - | 45,000 |
| Education distributions | | | | | |
| to local governments | 1,722,629 | - | - | 135,129 | 1,857,758 |
| Total deductions | <u>1,767,629</u> | <u>-</u> | <u>12,988,542</u> | <u>135,129</u> | <u>14,891,300</u> |
| NET INCREASE IN FIDUCIARY NET POSITION | (10,530) | - | 36,100 | (6,904) | 18,666 |
| NET POSITION, BEGINNING OF YEAR | <u>615,185</u> | <u>1,350</u> | <u>-</u> | <u>48,243</u> | <u>664,778</u> |
| NET POSITION, END OF YEAR | <u>\$ 604,655</u> | <u>\$ 1,350</u> | <u>\$ 36,100</u> | <u>\$ 41,339</u> | <u>\$ 683,444</u> |

FEDERAL COMPLIANCE SECTION

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

| Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass- Through/ Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|---|--|--|---------------------------------------|----------------------------------|
| U.S. DEPARTMENT OF EDUCATION | | | | |
| EDUCATIONAL STABILIZATION FUND | | | | |
| Passed through Illinois State Board of Education: | | | | |
| <i>COVID-19 - ARP - Social Emotional Learning and Trauma</i> | (M) 84.425 | 4998-SE | \$ 144,000 | \$ 600,789 |
| <i>COVID-19 - Elementary/Secondary Relief - Digital Equity</i> | (M) 84.425D | 4998-D2 | - | 24,652 |
| <i>COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund</i> | (M) 84.425D | 4998-E2 | - | 9,922 |
| <i>COVID-19 - American Rescue Plan - Elementary and Secondary Emergency Relief (ARP ESSER)</i> | (M) 84.425U | 4998-E3 | - | 17,700 |
| Passed through Regional Office of Education No. 11: | | | | |
| <i>COVID-19 - American Rescue Plan - Elementary and Secondary Emergency Relief - Homeless Children and Youth</i> | (M) 84.425W | 4998-HM | - | 6,315 |
| Passed through West 40 - Intermediate Service Center | | | | |
| <i>COVID-19 - Coronavirus Response and Relief Supplemental Appropriation Act, 2021 - Emergency Assistance to Non-Public Schools</i> | (M) 84.425R | 4998-E2 | - | 148,632 |
| <i>Total Education Stabilization Fund</i> | | | 144,000 | 808,010 |
| Passed through Regional Office of Education 11: | | | | |
| <i>Mckinney Education for Homeless Children</i> | 84.196A | 4920-00 | - | 35,077 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | \$ 144,000 | \$ 843,087 |
| U.S. DEPARTMENT OF AGRICULTURE | | | | |
| Passed through Illinois State Board of Education: | | | | |
| <i>National School Lunch Program</i> | 10.555 | 4210-BT | - | 614 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | - | 614 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 144,000 | \$ 843,701 |

(M) Program was audited as a major program.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

NOTE 1 BASIS OF PREPARATION

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Regional Office of Education No. 39 under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the Regional Office of Education No. 39, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Regional Office of Education No. 39.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Regional Office of Education No. 39 has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 LOANS/LOAN GUARANTEES/INTEREST SUBSIDIES

This is not applicable as the Regional Office of Education No. 39 did not have any loans/loan guarantees/interest subsidies outstanding at fiscal year-end.

NOTE 4 DONATED PERSONAL PROTECTIVE EQUIPMENT

During the period, the Regional Office of Education No. 39 did not receive any donation of personal protective equipment.