

STATE OF ILLINOIS
MADISON COUNTY
REGIONAL OFFICE OF EDUCATION NO. 41

FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 2022

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

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41

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MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41

OFFICIALS

For the Year Ended June 30, 2022

Regional Superintendent (Current and during the audit period)

Mr. Robert W. Werden

Assistant Regional Superintendent (Current and during the audit period)

Dr. Tricia Blackard

Offices are located at:

157 N. Main Street, Suite 438
Edwardsville, Illinois 62025-1966

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41

FINANCIAL REPORT SUMMARY

For the Year Ended June 30, 2022

FINANCIAL REPORT SUMMARY

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

AUDITOR'S REPORT

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

SUMMARY OF AUDIT FINDINGS

| Number of | This Audit | Prior Audit |
|--|------------|-------------|
| Audit findings | 2 | 2 |
| Repeated audit findings | 0 | 0 |
| Prior recommendations implemented or not repeated | 2 | 0 |

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

SUMMARY OF FINDINGS AND RESPONSES

| Item No. | Page | Description | Finding Type |
|--|------|---|------------------------|
| FINDINGS (GOVERNMENT AUDITING STANDARDS) | | | |
| 2022-001 | 10 | Delay of Audit | Noncompliance |
| 2022-002 | 12 | Controls Over Financial Statement Preparation | Material Weakness |
| PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS) | | | |
| 2021-002 | 14 | Lack of Adequate Controls over the Review of Internal Controls over External Service Providers | Significant Deficiency |

EXIT CONFERENCE

Madison County Regional Office of Education No. 41 did not request an exit conference to discuss the audit for the year ended June 30, 2022. Responses to the findings were provided by Robert Parker on June 20, 2023.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2022

The audit of the accompanying modified cash basis financial statements of Madison County Regional Office of Education No. 41 was performed by GW & Associates PC.

Based on their audit, the auditors expressed an unmodified opinion on Madison County Regional Office of Education No. 41's modified cash basis 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 modified cash basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Madison County Regional Office of Education No. 41, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Madison County Regional Office of Education No. 41'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 modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Madison County Regional Office of Education No. 41, as of June 30, 2022, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with modified cash basis of accounting described in Note 1.

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 Madison County Regional Office of Education No. 41, and to meet our 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.

Emphasis of Matter – Basis of Accounting

We draw your attention to Note 1 of the financial statements, which describes the basis of accounting. Beginning with the year ended June 30, 2022, the financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

We also draw your attention to Note 12 of the financial statements, which describes the restatement of the prior period's net position and fund balance as a result of a change in the basis of accounting from accounting principles generally accepted in the United States of America to the modified cash basis of accounting. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's 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 judgement 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 judgement 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 purpose of expressing an opinion on the effectiveness of the Madison County Regional Office of Education No. 41'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 Madison County Regional Office of Education No. 41'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Madison County Regional Office of Education No. 41's basic financial statements. The modified cash basis combining schedules of accounts, the modified cash basis budgetary comparison schedules, and the modified cash basis combining fund financial statements 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 modified cash basis combining schedules of accounts, the modified cash basis budgetary comparison schedules, and the modified cash basis combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the modified cash basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2023, on our consideration of the Madison County Regional Office of Education No. 41'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 Madison County Regional Office of Education No. 41'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 Madison County Regional Office of Education No. 41's internal control over financial reporting and compliance.

[FIRM SIGNATURE ON FILE]

Hillside, Illinois
June 21, 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 modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Madison County Regional Office of Education No. 41 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Madison County Regional Office of Education No. 41's modified cash basis financial statements, and we have issued our report thereon dated June 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Madison County Regional Office of Education No. 41'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 Madison County Regional Office of Education No. 41's internal control. Accordingly, we do not express an opinion on the effectiveness of the Madison County Regional Office of Education No. 41's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2022-002 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County Regional Office of Education No. 41's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2022-001.

Madison County Regional Office of Education No. 41's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Madison County Regional Office of Education No. 41's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. Madison County Regional Office of Education No. 41's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Madison County Regional Office of Education No. 41'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 Madison County Regional Office of Education No. 41's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

[FIRM SIGNATURE ON FILE]

Hillside, Illinois
June 21, 2023

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements in Accordance with the Modified Cash Basis

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2022

FINDING NO. 2022-001 –Delay of Audit

Criteria/Specific Requirements

Madison County Regional Office of Education No. 41 is subject to 105 ILCS 5/2-3.17a which requires the Auditor General’s office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Government Auditing Standards. The Regional Office of Education or Education Service Center may 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

Madison County Regional Office of Education No. 41 did not provide completed financial statements in an auditable form by the August 31, 2022 deadline. The financial statements were provided on October 11, 2022.

Effect

When auditable financial statements 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 loss of funding.

Cause

Madison County Regional Office of Education No. 41 management indicated the conversion from accounting principles generally accepted in the United States of America (“GAAP”) to the

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2022

FINDING NO. 2022-001 –Delay of Audit (Continued)

modified cash basis combined with the transition to outsourced financial statement preparation resulted in delays.

Recommendation

Madison County Regional Office of Education No. 41 should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). These financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31 deadline.

Management Response

The Office has made our external accounting consultants aware of the deadline for this activity and will be a part of the engagement going forward.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2022

FINDING NO. 2022-002 –Internal Controls Over Financial Statement Preparation

Criteria/Specific Requirements:

Statement of Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, focuses on deficiencies in internal control over financial reporting. This SAS states that “identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate that the misstatement would not have been detected by the entity’s internal control” is an indicator of a weakness in internal control.

Condition

In the course of restating beginning net position in the Technology PD fund to convert from accrual to modified cash basis accounting, Madison County Regional Office of Education No. 41 made an error resulting in the understatement of current year revenues and the overstatement of beginning net position by \$47,151.

Effect

Madison County Regional Office of Education No. 41 management or its employees, in the normal course of performing their assigned functions, may not prevent or detect and correct, financial statement misstatements and disclosure errors and omissions in a timely manner.

Cause

Madison County Regional Office of Education No. 41 management indicated the error was a result of the change in accounting basis and is not a recurring issue. The effect of the eliminations of accrual balances from beginning fund level equity was not calculated and restated properly for the Technology PD fund.

Recommendation

Madison County Regional Office of Education No. 41 should implement comprehensive review procedures as part of their internal controls over the preparation of financial statements to ensure the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the modified cash basis of accounting and knowledge of Madison County Regional Office of Education No. 41’s activities and operations.

Management Response

The closing of this fund has taken place and all audit adjustment entries will be made.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 2022

Corrective Action Plan

FINDING No. 2022-001 - Delay of Audit

Condition:

Madison County Regional Office of Education No. 41 did not provide completed financial statements in an auditable form by the August 31, 2022 deadline. The financial statements were provided on October 11, 2022.

Plan:

The Office has made our External Accounting consultants aware of the deadline for this activity and will be a part of the engagement going forward.

Contact Person: Robert Parker, Comptroller

Anticipated Date of Completion: Fiscal Year 2023

FINDING No. 2022-002 - Internal Controls Over Financial Statement Preparation

Condition:

In the course of restating beginning net position in the Technology PD fund to convert from accrual to modified cash basis accounting, Madison County Regional Office of Education No. 41 made an error resulting in the understatement of current year revenues and the overstatement of beginning net position by \$47,151.

Plan:

The closing of this fund has taken place and all audit adjustment entries will be made.

Contact Person: Robert Parker, Comptroller

Anticipated Date of Completion: June 2023

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED

For the Year Ended June 30, 2022

| <u>Finding No.</u> | <u>Condition</u> | <u>Current Status</u> |
|---------------------------|---|------------------------------|
| 2021-001 | Controls Over Financial Statement Preparation During the current audit, Madison County Regional Office of Education No. 41 prepared their financial statements on the modified cash basis of accounting. Audit adjustments were greatly reduced with the exception of an error in changing reporting basis to modified cash basis from GAAP basis. See finding 2022-001. | Not Repeated |
| 2021-002 | Lack of Adequate Controls Over the Review of Internal Controls over External Service Providers During the current audit, Madison County Regional Office of Education No. 41 obtained and reviewed Service Organization Controls (SOC) reports from the service providers that they utilized. | Not Repeated |

BASIC FINANCIAL STATEMENTS

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2022**

EXHIBIT A

| | Primary Government | | |
|-------------------------------------|------------------------------------|-------------------------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 983,857 | \$ 649,585 | \$ 1,633,442 |
| Certificates of Deposit | 609,168 | - | 609,168 |
| Internal balances | 1,999 | (1,999) | - |
| Total current assets | <u>1,595,024</u> | <u>647,586</u> | <u>2,242,610</u> |
| TOTAL ASSETS | <u>1,595,024</u> | <u>647,586</u> | <u>2,242,610</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Due to other governments | <u>7,581</u> | - | <u>7,581</u> |
| Total current liabilities | <u>7,581</u> | - | <u>7,581</u> |
| TOTAL LIABILITIES | <u>7,581</u> | - | <u>7,581</u> |
| NET POSITION | | | |
| Restricted for educational purposes | 993,193 | - | 993,193 |
| Unrestricted | <u>594,250</u> | <u>647,586</u> | <u>1,241,836</u> |
| TOTAL NET POSITION | <u>\$ 1,587,443</u> | <u>\$ 647,586</u> | <u>\$ 2,235,029</u> |

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

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT B

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---------------------------------------|---------------------|-------------------------|---|--|--|-----------------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contribution | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-Type Activities | Total |
| FUNCTIONS/PROGRAMS | | | | | | | |
| Primary government | | | | | | | |
| Governmental activities: | | | | | | | |
| Instructional services | | | | | | | |
| Salaries | \$ 1,142,802 | \$ 536,026 | \$ 783,997 | \$ - | \$ 177,221 | \$ - | \$ 177,221 |
| Benefits | 312,836 | 152,490 | 223,032 | - | 62,686 | - | 62,686 |
| Purchased services | 192,700 | 90,385 | 132,198 | - | 29,883 | - | 29,883 |
| Supplies and materials | 81,688 | 38,315 | 56,040 | - | 12,667 | - | 12,667 |
| Other Objects | 6,049 | 2,837 | 4,048 | - | 836 | - | 836 |
| Pension Expense | 7,072 | - | - | - | (7,072) | - | (7,072) |
| OPEB Expense (Benefit) | 5,198 | - | - | - | (5,198) | - | (5,198) |
| Intergovernmental | | | | | | | |
| Payments to other governments | 18,151 | 8,514 | 1,628 | - | (8,009) | - | (8,009) |
| Administrative | | | | | | | |
| On-Behalf payments - Local | 657,517 | - | 657,517 | - | - | - | - |
| Total governmental activities | <u>2,424,013</u> | <u>828,567</u> | <u>1,858,460</u> | <u>-</u> | <u>263,014</u> | <u>-</u> | <u>263,014</u> |
| Business-type activities: | | | | | | | |
| Professional development | 143,456 | 319,334 | - | - | - | 175,878 | 175,878 |
| Total business-type activities | <u>143,456</u> | <u>319,334</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>175,878</u> | <u>175,878</u> |
| Total primary government | <u>\$ 2,567,469</u> | <u>\$ 1,147,901</u> | <u>\$ 1,858,460</u> | <u>\$ -</u> | <u>263,014</u> | <u>175,878</u> | <u>438,892</u> |
| General revenues: | | | | | | | |
| | | | | | 3,265 | 640 | 3,905 |
| | | | | | (324) | 324 | - |
| | | | | | <u>2,941</u> | <u>964</u> | <u>3,905</u> |
| | | | | | | | |
| | | | | | 265,955 | 176,842 | 442,797 |
| | | | | | | | |
| | | | | | 1,321,488 | 470,744 | 1,792,232 |
| | | | | | | | |
| | | | | | <u>\$ 1,587,443</u> | <u>\$ 647,586</u> | <u>\$ 2,235,029</u> |

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
GOVERNMENTAL FUNDS
BALANCE SHEET - MODIFIED CASH BASIS
JUNE 30, 2022**

EXHIBIT C

| | <u>General Fund</u> | <u>Education Fund</u> | <u>Institute Fund</u> | <u>Nonmajor Special Revenue Funds</u> | <u>Eliminations</u> | <u>Total Governmental Funds</u> |
|--|---------------------|---------------------------|-----------------------|---|---------------------|---|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 370,953 | \$ 276,431 | \$ 269,484 | \$ 66,989 | \$ - | \$ 983,857 |
| Certificates of Deposit | 205,501 | - | 403,667 | - | - | 609,168 |
| Due from other funds | 61,649 | - | - | - | - | 61,649 |
| TOTAL ASSETS | <u>638,103</u> | <u>276,431</u> | <u>673,151</u> | <u>66,989</u> | <u>-</u> | <u>1,654,674</u> |
| LIABILITIES | | | | | | |
| Due to other funds | - | 40,795 | 18,855 | - | - | 59,650 |
| Due to other governments | - | 7,581 | - | - | - | 7,581 |
| TOTAL LIABILITES | <u>-</u> | <u>48,376</u> | <u>18,855</u> | <u>-</u> | <u>-</u> | <u>67,231</u> |
| FUND BALANCES (DEFICIT) | | | | | | |
| Restricted | 766 | 271,142 | 654,296 | 66,989 | - | 993,193 |
| Assigned | 649,708 | - | - | - | - | 649,708 |
| Unassigned | (12,371) | (43,087) | - | - | - | (55,458) |
| Total fund balances | <u>638,103</u> | <u>228,055</u> | <u>654,296</u> | <u>66,989</u> | <u>-</u> | <u>1,587,443</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 638,103</u> | <u>\$ 276,431</u> | <u>\$ 673,151</u> | <u>\$ 66,989</u> | <u>\$ -</u> | <u>\$ 1,654,674</u> |

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

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2022

| | <u>General Fund</u> | <u>Education Fund</u> | <u>Institute Fund</u> | <u>Nonmajor Special Revenue Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|-----------------------|-----------------------|---------------------------------------|---------------------------------|
| REVENUES | | | | | |
| Federal sources | \$ - | \$ 209,758 | \$ - | \$ - | \$ 209,758 |
| State sources | 443,301 | 546,046 | - | 1,838 | 991,185 |
| Local sources | 653,467 | 80,376 | 72,879 | 21,845 | 828,567 |
| Interest Income | 1,153 | 70 | 2,021 | 21 | 3,265 |
| On-behalf payments - Local | 657,517 | - | - | - | 657,517 |
| Total revenues | <u>1,755,438</u> | <u>836,250</u> | <u>74,900</u> | <u>23,704</u> | <u>2,690,292</u> |
| EXPENDITURES | | | | | |
| Instructional services | | | | | |
| Salaries | 602,196 | 524,984 | - | 15,622 | 1,142,802 |
| Benefits | 206,619 | 109,281 | - | 2,134 | 318,034 |
| Pension | 1,759 | 5,313 | - | - | 7,072 |
| Purchased services | 52,042 | 133,633 | - | 7,025 | 192,700 |
| Supplies and materials | 35,594 | 43,688 | - | 2,406 | 81,688 |
| Miscellaneous | 5,900 | - | 149 | - | 6,049 |
| On-behalf payments - local | 657,517 | - | - | - | 657,517 |
| Intergovernmental | | | | | |
| Payments to other governments | - | 2,373 | 15,778 | - | 18,151 |
| Total expenditures | <u>1,561,627</u> | <u>819,272</u> | <u>15,927</u> | <u>27,187</u> | <u>2,424,013</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 193,811 | 16,978 | 58,973 | (3,483) | 266,279 |
| OTHER FINANCING USES | | | | | |
| Transfer Out | <u>(324)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(324)</u> |
| NET CHANGE IN FUND BALANCES | 193,487 | 16,978 | 58,973 | (3,483) | 265,955 |
| FUND BALANCES, BEGINNING OF YEAR AS RESTATED (SEE NOTE 12) | <u>444,616</u> | <u>211,077</u> | <u>595,323</u> | <u>70,472</u> | <u>1,321,488</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 638,103</u> | <u>\$ 228,055</u> | <u>\$ 654,296</u> | <u>\$ 66,989</u> | <u>\$ 1,587,443</u> |

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

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
PROPRIETARY FUNDS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2022

EXHIBIT E

| | Business-Type Activities - Enterprise Funds | | | Total |
|---------------------------|--|------------------------------------|--|--------------------------|
| | ROE Administrative | SIP-Enterprise Workshop | Nonmajor Fund Technology PD | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 519,541 | \$ 130,044 | \$ - | \$ 649,585 |
| Total current assets | <u>519,541</u> | <u>130,044</u> | <u>-</u> | <u>649,585</u> |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Due to other funds | 1,999 | - | - | 1,999 |
| Total Liabilities | <u>1,999</u> | <u>-</u> | <u>-</u> | <u>1,999</u> |
| NET POSITION | | | | |
| Unrestricted | <u>517,542</u> | <u>130,044</u> | <u>-</u> | <u>647,586</u> |
| TOTAL NET POSITION | <u><u>\$ 517,542</u></u> | <u><u>\$ 130,044</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 647,586</u></u> |

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - MODIFIED CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

| | Business-Type Activities - Enterprise Funds | | | Total |
|--|--|-----------------------------|-----------------------------------|-------------------|
| | ROE Administrative | SIP- Enterprise Workshop | Nonmajor Fund Technology PD | |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 229,287 | \$ 42,896 | \$ 47,151 | \$ 319,334 |
| OPERATING EXPENSES | | | | |
| Purchased services | 101,376 | 23,710 | - | 125,086 |
| Supplies and materials | 9,247 | 772 | - | 10,019 |
| Miscellaneous | 8,351 | - | - | 8,351 |
| Total operating expenses | <u>118,974</u> | <u>24,482</u> | <u>-</u> | <u>143,456</u> |
| OPERATING INCOME | <u>110,313</u> | <u>18,414</u> | <u>47,151</u> | <u>175,878</u> |
| NONOPERATING REVENUES | | | | |
| Interest | 601 | 39 | - | 640 |
| Transfers in | - | - | 324 | 324 |
| Total nonoperating revenues | <u>601</u> | <u>39</u> | <u>324</u> | <u>964</u> |
| CHANGE IN NET POSITION | 110,914 | 18,453 | 47,475 | 176,842 |
| NET POSITION, BEGINNING OF YEAR AS RESTATED (SEE NOTE 12) | <u>406,628</u> | <u>111,591</u> | <u>(47,475)</u> | <u>470,744</u> |
| NET POSITION, END OF YEAR | <u>\$ 517,542</u> | <u>\$ 130,044</u> | <u>\$ -</u> | <u>\$ 647,586</u> |

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

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT G

| | Business-Type Activities - Enterprise Funds | | | Total |
|---|--|---|--|-------------------|
| | ROE Administrative | SIP- Enterprise Workshop | Nonmajor Fund Technology PD | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Receipts for workshops and services | \$ 231,286 | \$ 42,896 | \$ 47,151 | \$ 321,333 |
| Payments to suppliers and providers of goods and services | (118,974) | (24,482) | - | (143,456) |
| Net cash provided by (used for) operating activities | <u>112,312</u> | <u>18,414</u> | <u>47,151</u> | <u>177,877</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Increase (decrease) in interfund borrowings | - | - | (47,475) | (47,475) |
| Cash transfers (to) from other funds | - | - | 324 | 324 |
| Net Cash provided by (used for) noncapital financing activities | <u>-</u> | <u>-</u> | <u>(47,151)</u> | <u>(47,151)</u> |
| CASH FLOWS FROM INVESTING ACTIVITY: | | | | |
| Interest income | 601 | 39 | - | 640 |
| Net Cash provided by investing activity | <u>601</u> | <u>39</u> | <u>-</u> | <u>640</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 112,913 | 18,453 | - | 131,366 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>406,628</u> | <u>111,591</u> | <u>-</u> | <u>518,219</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 519,541</u> | <u>\$ 130,044</u> | <u>\$ -</u> | <u>\$ 649,585</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income | \$ 110,313 | \$ 18,414 | \$ 47,151 | \$ 175,878 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Effects of change in asset: | | | | |
| Due to other funds | 1,999 | - | - | 1,999 |
| Net cash provided by operating activities | <u>\$ 112,312</u> | <u>\$ 18,414</u> | <u>\$ 47,151</u> | <u>\$ 177,877</u> |

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

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education No. 41 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

A. Date of Management's Review

Management has evaluated subsequent events through June 21, 2023, the date when the financial statements were available to be issued.

B. Financial Reporting Entity

The Regional Office operates under the School Code (Articles 5/3 and 5/3A of *Illinois Compiled Statutes*, Chapter 105). The Regional Office of Education No. 41 encompasses Madison County. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the Regional Office of Education No. 41 and is elected pursuant to Article 3, *Illinois Compiled Statutes*, Chapter 105.

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 41's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; to perform and report on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions; and to carrying out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurer's bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts under the Regional Superintendent's control are properly bonded.

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report.

The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2022, the Regional Office of Education No. 41 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education No. 41. Such activities are reported as a single major fund (Education Fund).

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Scope of Reporting Entity

The Regional Office of Education No. 41's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education No. 41 has developed criteria to determine whether outside agencies with activities that benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in the financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education No. 41 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education No. 41 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education No. 41 is not aware of any entity which would exercise such oversight as to result in the Regional Office of Education No. 41 being considered a component unit of the entity.

D. Government-Wide Financial Statements

The Statement of Net Position-Modified Cash Basis and the Statement of Activities-Modified Cash Basis are government-wide financial statements. They report information on all of the non-fiduciary activities of the Regional Office of Education No. 41. The effect of interfund activity has been removed from these statements. Governmental activities are supported by intergovernmental revenues and are reported separate from business-type activities, which rely, to a significant extent, on fees and charges for services.

The Statement of Net Position-Modified Cash Basis and the Statement of Activities-Modified Cash Basis are presented on an "economic resources" measurement focus, within the limitation of the modified cash basis of accounting as described below. All of the Regional Office of Education No. 41's assets and liabilities arising from cash transactions, are included in the accompanying Statement of Net Position-Modified Cash Basis. The Statement of Activities-Modified Cash Basis demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

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

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-Wide Financial Statements (Concluded)

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, such as, 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-Modified Cash Basis and proprietary fund Statement of Net Position-Modified Cash Basis and as other financing sources and uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances-Modified Cash Basis and the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position-Modified Cash Basis. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as internal balances on the government-wide financial statements.

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

E. Proprietary Fund Financial Statements

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

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

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

F. Governmental Fund Financial Statements

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

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

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Measurement Focus and Basis of Accounting

The government-wide Statement of Net Position-Modified Cash Basis and Statement of Activities-Modified Cash Basis and the fund financial statements are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenditures when they result from cash transactions with the exception that tangible non-cash assistance is recorded. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

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

Under the terms of grant agreements, Regional Office of Education No. 41 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is Regional Office of Education No. 41's policy to first apply restricted funds, then unrestricted resources as they are needed. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

H. Fund Accounting

The Regional Office of Education No. 41 uses funds to maintain its financial records during the year. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balances, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The Regional Office of Education No. 41 uses governmental and proprietary funds.

Governmental Funds

Governmental funds are those through which most governmental functions of the Regional Office of Education No. 41 are typically reported. Reporting for governmental funds focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as a fund balance.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and (2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education No. 41 has presented all major funds that met the above qualifications.

The Regional Office of Education No. 41 reports the following major governmental funds:

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

ROE Administrative - Accounts for monies received for, and payment of, expenditures associated with the operations of the Regional Office of Education No. 41's general administrative activities.

Evidence Based Funding (formerly called General State Aid) - Accounts for monies received for, and payment of, expenditures for regional learning academy supplements.

Lighthouse Educational Assistance Program (LEAP) - Accounts for tuition monies received for, and payment of, expenditures for the administration of an educational facility within a drug rehabilitation center.

ETC Day Program - Accounts for tuition fees received from school districts used for providing special education and therapeutic services to behaviorally disordered and emotionally disturbed students under the Educational Therapy Center (ETC).

ETC Unemployment Reserve - Accounts for local monies received and accumulated to be used to defray unemployment and related expenses in case the ETC ceases to exist.

Suspension Temporary Option Program - Accounts for monies received for the administration of the Suspension Temporary Option Program (STOP) serving students in the Collinsville, Highland, and Troy school districts.

Madison County Detention Center (MCDC) - Accounts for monies received for, and payment of, expenditures for the administration of an educational facility within a county detention center.

Teacher Retirement System (TRS) and Teacher Health Insurance Security (THIS) - Accounts for pension and insurance contributions collected and disbursed to the TRS of the State of Illinois.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

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

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

Truants Alternative and Optional Education Project - Accounts for grant monies received for, and payment of, expenditures for the truancy prevention program including monitoring of truant students.

Vocational Adjustment Counselor - Accounts for grant monies received for, and payment of, expenditures to provide rehabilitation counseling for individuals in secondary work experience and resource materials for families and educators of children who are transitioning from school to post-secondary activities.

Regional Safe Schools - Accounts for grant monies received for, and payment of, expenditures to provide alternative school program for at-risk students. The program also provides placement for students who are suspended and/or are ineligible.

Teacher Quality Leadership - Accounts for grant monies received for, and payment of, expenditures to improve instructional services in school districts.

McKinney-Vento Homeless Children - Accounts for grant monies received for, and payment of, expenditures associated with counseling and educational support to homeless children and their families.

Governor’s Emergency Education Relief (GEER) I – Accounts for grant monies received for emergency assistance as a result of COVID-19 including support of remote educational opportunities.

Digital Equity – Accounts for grant monies received to provide students with technology tools and home internet access necessary for technology-rich remote learning experiences.

Digital Professional Learning – Accounts for grant monies received for emergency assistance as a result of COVID-19 to assist school districts in reducing barriers to the continuity of education by addressing professional learning needs related to digital remote learning.

American Rescue Plan(ARP)-Elementary School Emergency Relief (ESSER) III – Accounts for grant monies received for addressing learning loss through the implementation of evidence-based interventions.

Coronavirus Aid, Relief, and Economic Security Act (CARES) -ESSER – Accounts for grant monies received to address the impact of COVID-19 on secondary and elementary schools.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

American Rescue Plan (ARP)-McKinney-Vento Homeless Children – Accounts for grant monies received for, and payment of, expenditures supporting efforts to identify homeless children and youth and provide them with comprehensive services that address needs arising from the COVID-19 pandemic and allow them to attend school and participate in school activities.

ETC Lunch Account Program - Accounts for State monies received for, and payment of, expenditures for providing free and reduced priced meals to students under the Educational Therapy Center (ETC).

ROE / ISC Operations (formerly School Improvement) - Accounts for grant monies received for, and payment of, expenditures for the ROE/ISC Operations grant, as well as transactions associated with the operations of the Regional Office of Education No. 41.

Institute Fund - Accounts for registration and renewal fees related to teachers' certificates. Funds collected from registration and renewal fees are expended to defray costs incidental to teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

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

General Education Development (GED) - Accounts for the administration of the GED Testing Program. Revenues consist of fees collected for testing, diplomas and materials.

Bus Driver Training - Accounts for bus drivers' permit fees which may be expended for bus drivers' refresher courses.

Proprietary Funds

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education No. 41 on a cost reimbursement basis are reported.

Major Proprietary Funds – The Regional Office of Education No. 41 reports the following proprietary funds as major funds:

ROE Administrative - Enterprise - Accounts for monies received for, and payment of, expenditures associated with other miscellaneous enterprise activities of the Regional Office of Education No. 41. This fund also accounts for reimbursements from other funds for general administrative expenses.

School Improvement Plan (SIP) - Enterprise Workshop - Accounts for workshop fees received for, and payment of, expenses related to various trainings conducted by the Regional Office of Education No. 41.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Concluded)

Nonmajor Proprietary Funds – The Regional Office of Education No. 41 reports the following proprietary funds as nonmajor funds:

Technology PD (formerly Technology Hub Fees) - Enterprise - Accounts for the local monies received for, and payment of, expenditures associated with setting up e-mail addresses, conducting workshops, and helping with the creation of technology plans for the schools in Madison County.

I. Governmental Cash Basis Fund Balances

Fund balance is the difference between assets and liabilities in a governmental fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet-Modified Cash Basis and Governmental Funds Combining Schedule of Accounts-Modified Cash Basis:

Non-spendable - the portion of a Governmental Fund's net position that are not available to be spent, either short-term or long-term, in either form or through legal restrictions. There are no accounts presenting a non-spendable fund balance.

Restricted - the portion of a Governmental Fund's net position that are subject to external enforceable legal restrictions. The following fund balances are restricted by grant agreements or contracts: Truants Alternative and Optional Education Project, Vocational Adjustment Counselor, ETC Lunch, TRS & THIS, and ROE ISC Operations, The following funds are restricted by Illinois Statute: Institute Fund, General Education Development, and Bus Driver Training.

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

Assigned - the portion of a Governmental Fund's net position that 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: Evidence Based Funding, ETC Day Program, and Suspension Temporary Option Program.

Unassigned - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the Madison County Detention Center, Regional Safe Schools, McKinney-Vento Homeless Children, and ARP-McKinney-Vento Homeless Children.

J. Modified Cash Basis Net Position

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

Restricted net position – Results when constraints placed on the use of resources are either externally imposed or imposed by laws through constitutional provisions or enabling legislation.

Unrestricted net position – Consists of cash and cash equivalent balances not meeting the definition of the preceding category. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Cash and Cash Equivalents

The Regional Office of Education No. 41 considers all cash and all highly liquid investments (including restricted assets) with an original maturity of three months or less from the date of acquisition to be cash equivalents.

L. Interfund Due To/From

The recordings of due from and due to other funds are a result of various borrowings between funds during the year.

M. Compensated Absences

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

N. Budgetary Data

The Regional Office of Education No. 41 acts as the administrative agent for certain grant programs that are accounted for within the Education Fund. These programs have separate budgets and are required to be reported to the Illinois State Board of Education and Illinois Department of Human Services; however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results for the following programs are presented as supplementary information: Truants Alternative and Optional Education Project, Regional Safe Schools, McKinney – Vento Homeless Children, Digital Equity, ARP-ESSER III, CARES-ESSER, ARP-McKinney-Vento Homeless Children, and ROE ISC Operations.

O. Change In Accounting Basis

On June 25, 2021, the Governor of the State of Illinois signed into law Public Act 102-0025 which amends the School Code to allow for Regional Offices of Education to utilize a cash basis, modified cash basis or generally accepted accounting principles (GAAP) basis of accounting for the annual audits. The management of the Regional Office of Education No. 41 has elected to change the accounting method from GAAP to modified cash basis for the year ended June 30, 2022.

P. New Accounting Pronouncement

For the fiscal year ended June 30, 2022, the Regional Office of Education No. 41 implemented Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 93, *Replacement of Interbank Offered Rates*, GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84*, and a *Supersession of GASB Statement No. 32*, and certain provisions of GASB Statement No. 99, *Omnibus 2022*. The implementation of these GASB Statements had no significant impact on the Regional Office of Education No. 41's financial statements.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

P. New Accounting Pronouncement (Concluded)

GASB Statement No. 87, *Leases*, (GASB 87) issued June 2017, is effective for the fiscal year ended June 30, 2022. GASB 87 requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. It established a single model for lease accounting based on the foundational principles that lease are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to use a lease asset. As the Regional Office of Education reports on a modified cash basis of accounting and considers all lease activity as non-cash transactions, the Regional Office of Education is not adopting this statement and rather reporting lease payments as period expenditures in the governmental funds.

NOTE 2: CASH AND CASH EQUIVALENTS

The Regional Office of Education No. 41's investment policy is to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

Deposits

At June 30, 2022, the carrying amount of the Regional Office of Education No. 41's government-wide deposits, excluding petty cash of \$400, was \$1,633,042, and the bank balance was \$1,709,073. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2022. At June 30, 2022, \$251,000 of the Regional Office of Education No. 41's cash deposits were insured by the Federal Deposit Insurance Corporation. The remaining \$981,808 was collateralized by securities pledged by the Regional Office of Education No. 41's financial institution in the name of the Regional Office and \$476,265 was invested in the Illinois Funds Money Market Fund. At June 30, 2022, the Illinois Funds Money Market Fund had a Fitch AAmmf rating.

Investments

The investment policy requires that funds should be invested solely in investments authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7. As of June 30, 2022, the Regional Office of Education No. 41 had investments with carrying and fair values of \$609,168 invested in Certificates of Deposits that were FDIC insured or collateralized.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Regional Office of Education's deposits and investments in certificates of deposit may not be returned to it. The Regional Office of Education No. 41 does not have a formal deposit policy for custodial credit risk but follows the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Regional Office of Education No. 41 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)

Credit Risk

The Regional Office of Education No. 41 is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code. The Regional Office of Education No. 41 has no investment policy that would further limit its investment choices. As of June 30, 2022, the Regional Office of Education No. 41 was in compliance with these guidelines.

NOTE 3: PENSION AND RETIREMENT COMMITMENTS

A. Teachers' Retirement System of the State of Illinois (TRS)

Plan Description

The Madison County Regional Office of Education No. 41 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trsil.org/financial/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 I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest 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 II 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 II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

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

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3: PENSION AND RETIREMENT COMMITMENTS (CONTINUED)

A. Teachers' Retirement System of the State of Illinois (TRS) (Continued)

Benefits provided (Concluded)

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II 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 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, 2022, 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. 41.

On behalf contributions to TRS. The state of Illinois makes employer pension contributions on behalf of the employer.

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 \$4,305.

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. 41, there is a statutory requirement for the Regional Office of Education No. 41 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 \$26,836 were paid from federal and special trust funds that required employer contributions of \$2,767.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3: PENSION AND RETIREMENT COMMITMENTS (CONCLUDED)

A. Teachers' Retirement System of the State of Illinois (TRS) (Concluded)

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2022, the Regional Office of Education No. 41 paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

B. Illinois Municipal Retirement Fund

There are other non-certified employees paid by, and considered employees of, county government. As such, related retirement obligations associated with these employees are the responsibilities of county government. Retirement contributions for non-certified employees made by Madison County to the Illinois Municipal Retirement Fund (IMRF) during the fiscal year 2022 amounted to \$34,238. This amount is included in the local on-behalf revenue and related expense. Moreover, GASB Statement No. 68 in relation to IMRF is not applicable to Regional Office of Education No. 41 since the Madison County bears the cost of salaries, benefits and the payment of future pension liabilities of these non-certified employees.

NOTE 4: OTHER POST EMPLOYMENT BENEFITS

A. Defined Benefit Plan – Madison County Health Plan

Plan Description. The Regional Office of Education No. 41 employees are covered by the Madison County (the County) health insurance plan. The County provides postemployment health care for eligible retired employees and their dependents through a single employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the County and can be amended by the County Board through its personnel manual and union contracts. An irrevocable trust has not been established by the County to account for the plan and accordingly the plan is not accounted for as a trust fund. The plan does not issue a separate report.

Benefits Provided. The Regional Office of Education No. 41 provides postemployment health care for eligible retired employees and their dependents through the County. Employees who terminate after meeting the age and service requirements for retirement are eligible to continue their health care plan coverage with the County by paying the monthly premium rate. The benefit levels are the same as those afforded to active employees. The benefits include general outpatient and inpatient medical services; mental, nervous, and substance abuse care; vision care, dental care; and prescriptions. Because the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, the additional cost is paid by the County and is the basis for the OPEB obligation accounted for under GASB Statement No. 75. The Regional Office of Education No. 41 reimburses the County for health insurance coverage for active non-administrative ROE No. 41 employees. These non-administrative employees are classified under "Other Education" below.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

A. Defined Benefit Plan – Madison County Health Plan (Concluded)

Membership. At November 30, 2021 (the County’s fiscal year end), membership consisted of:

| | Education Admin | Other Education | Total |
|----------------------|----------------------------|----------------------------|--------------|
| Active participants | 17 | 15 | 32 |
| Retired participants | 0 | 1 | 1 |
| Total | 17 | 16 | 33 |

Funding Policy. The County negotiates the contribution percentages between the County and employees through the union contracts and the personnel policy. The Regional Office of Education No. 41 employees follow these contracts and policies. All retirees contribute 100% of the blended premium to the plan and the County contributes the remainder to cover the cost of providing the benefits to the retirees via the insured plan (pay-as-you-go). GASB Statement No. 75 requires recognition of the current expense of OPEB based on each governing body’s annual required contribution, but does not require funding of the related liability. For the fiscal year ended November 30, 2021, the County contributed \$685.

Eligibility. Employees are eligible to retire from the Regional Office of Education No. 41 and continue their health coverage after meeting the age and service requirements for retirement. IMRF Tier 1 employees can retire at age 55 with 35 years of service or at age 60 with 8 years of service. Early retirement is also available for employees at age 55 with 8 years of service. IMRF Tier 2 employees can retire at age 62 with 35 years of service or at age 67 with 10 years of service. Early retirement is also available for employees at age 62 and 10 years of service.

B. Teachers’ Health Insurance Security Fund

THIS Plan Description

The Regional Office of Education No. 41 participates in the Teachers’ Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers’ Retirement System (TRS).

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4: OTHER POST EMPLOYMENT BENEFITS (CONCLUDED)

B. Teachers' Health Insurance Security Fund (Concluded)

Benefits Provided

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

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. 41.

Employer contributions to the THIS Fund

The Regional Office of Education No. 41 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2022, and 0.92 percent during the years ended June 30, 2021 and 2020. For the year ended June 30, 2022, the Regional Office of Education No. 41 paid \$5,198 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. 41 paid \$7,270 and \$7,161 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further information on the THIS Fund

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

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5: INTERFUND DUE FROM (TO) OTHER FUNDS

As of June 30, 2022, amounts due from (to) other funds consist of the following:

| Fund | Due From Other Funds | Due To Other Funds |
|---|-------------------------|-----------------------|
| General Fund – Evidence Based Funding | \$ 208,287 | \$ - |
| General Fund _ Madison County Detention Center | - | 12,371 |
| General Fund – E T C Day Program | - | 134,267 |
| Education Fund – Teacher Certification Institute | - | 18,855 |
| Education Fund – McKinney Vento Homeless Children | - | 10,965 |
| Education Fund – ARP McKinney Vento Homeless Children | - | 29,830 |
| Enterprise Fund – ROE Admin Enterprise | - | 1,999 |
| | <u>208,287</u> | <u>208,287</u> |
| Less: Amounts due within the General Fund | <u>(146,638)</u> | <u>(146,638)</u> |
| Total | <u>\$ 61,649</u> | <u>\$ 61,649</u> |

The amount due to the general fund from interfund borrowing is to cover short-term cash deficits.

NOTE 6: DUE FROM (TO) OTHER GOVERNMENTS

The Regional Office of Education No. 41’s Education Fund has funds due to various governmental units which consist of the following:

| | | |
|-----------------------------------|----|-------|
| Due to Other Governments: | | |
| Illinois State Board of Education | \$ | 7,581 |

NOTE 7: INTERFUND TRANSFERS

The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, the transfers between the governmental funds and the business-type funds were not eliminated. For the current fiscal year, there were interfund transfers as follows:

| <u>Fund/Account</u> | <u>Transfer In</u> | <u>Transfer Out</u> |
|---|--------------------|---------------------|
| General Fund: | | |
| Evidence Based Funding Account | \$ - | \$ 26,160 |
| Lighthouse Educational Assistance Program Account | 25,836 | - |
| Less: Transfers between General Fund Accounts | <u>(25,836)</u> | <u>(25,836)</u> |
| Net General Fund Transfers | - | 324 |
| Enterprise Funds: Technology PD | <u>324</u> | - |
| Total Transfers | <u>\$ 324</u> | <u>\$ 324</u> |

NOTE 8: COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Regional Office of Education No. 41 receives grant funds from various federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Significant losses are covered by the commercial insurance for all major programs: property, liability, and workman’s compensation. During the year ended June 30, 2022, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9: ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries of the Regional Superintendent and the Assistant Regional Superintendent and contributions on-behalf of the Regional Office of Education No. 41.

| | | |
|--|----|---------|
| State of Illinois | | |
| Regional Superintendent salary | \$ | 124,308 |
| Regional Superintendent benefits (includes State paid insurance) | | 40,783 |
| Assistant Regional Superintendent salary | | 111,876 |
| Assistant Regional Superintendent benefits (includes State paid insurance) | | 34,779 |
| | | 311,746 |

Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education (ISBE). Because the Regional Office prepares their financial statements in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, the state on-behalf payments are not reflected in the Regional Office’s financial statements as these amounts are remitted directly to the superintendents.

In addition, a significant portion of the operating expenditures of the Regional Office of Education No. 41 are paid by Madison County, Illinois, in accordance with the statutes. The breakdown of the County on-behalf payments for the year ended June 30, 2022 is as follows:

| | | |
|--|----|------------|
| Madison County | | |
| Salaries of office workers paid by the Madison County | \$ | 478,940 |
| Rent of office space | | 19,800 |
| Madison County’s share in health insurance contributions | | 87,900 |
| Madison County’s share in retirement contributions | | 70,877 |
| Total Madison County | | \$ 657,517 |

These amounts have been recorded in the accompanying governmental fund financial statements as local revenue and expenditures as these amounts are remitted to the Regional Office of Education No. 41.

NOTE 10: DEFICIT FUND BALANCE

The General Fund’s Madison County Detention Center has a deficit fund balance totaling \$12,371 as of June 30, 2022. The Education Fund’s Regional Safe Schools, McKinney-Vento Homeless Children, and ARP-McKinney-Vento Homeless Children have deficit fund balances of \$2,292, \$10,965, and \$29,830 as of June 30, 2022.

NOTE 11: LEASE COMMITMENTS

The Madison County Regional Office of Education No. 41 (ROE #41) is committed under a lease agreement for office space for the ROE #41’s School Improvement Program (SIP) and GED Testing program. The office space is located at 1310 North Main Street in Edwardsville, Illinois. The lease was effective on December 1, 2017, and expires on November 30, 2027. In FY 2018, ROE No. 41 paid \$100,000 for the ten year lease.

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12: PRIOR PERIOD ADJUSTMENTS

The net position and fund balances have been restated as of June 30, 2021. The accompanying financial statements have been restated due to the following items:

- 1) Improper recognition of due to other governments – In the prior year Madison County Regional Office of Education No. 41 improperly recorded income for an overpayment of a grant that should have been recorded as due to other governments.
- 2) Change in accounting basis – As mentioned in Note 1, the management of the Regional Office of Education No. 41 has elected to change the accounting method from GAAP to modified cash basis.

| | Governmental Activities | Business-Type Activities |
|--|------------------------------------|-------------------------------------|
| Net position at June 30, 2021 | \$ (192,475) | \$ 595,656 |
| Improper recognition of due to other governments | (2,363) | - |
| Change in accounting basis | | |
| Reverse current asset accruals | (152,996) | (147,495) |
| Reverse noncurrent assets | (39,407) | (435) |
| Reverse deferred outflows of resources | (315,711) | - |
| Reverse current liability accruals | 136,482 | 23,018 |
| Reverse noncurrent liabilities | 1,589,968 | - |
| Reverse deferred inflows of resources | 297,990 | - |
| Net position restated at June 30, 2021 | \$ 1,321,488 | \$ 470,744 |

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12: PRIOR PERIOD ADJUSTMENTS (CONTINUED)

| | <u>General Fund</u> | <u>Education Fund</u> | <u>Institute Fund</u> | <u>Nonmajor Special Revenue Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|-----------------------|-----------------------|---------------------------------------|---------------------------------|
| Fund balance at June 30, 2021 | \$ 440,382 | \$ 232,626 | \$ 595,323 | \$ 70,536 | \$ 1,338,867 |
| Improper recognition of due to other governments | - | (2,363) | - | - | (2,363) |
| Change in accounting basis | | | | | |
| Reverse current asset accruals | (88,620) | (61,832) | - | (1,046) | (151,498) |
| Reverse current liability accruals | 92,854 | 42,646 | - | 982 | 136,482 |
| Fund balance restated at June 30, 2021 | <u>\$ 444,616</u> | <u>\$ 211,077</u> | <u>\$ 595,323</u> | <u>\$ 70,472</u> | <u>\$ 1,321,488</u> |

Proprietary Funds

| | <u>ROE Administrative</u> | <u>SIP- Enterprise Workshop</u> | <u>Technology PD</u> | <u>Total</u> |
|--|---------------------------|---------------------------------|----------------------|-------------------|
| Net position at June 30, 2021 | \$ 425,239 | \$ 176,934 | \$ (6,517) | \$ 595,656 |
| Change in accounting basis | | | | |
| Reverse current asset accruals | (35,344) | (65,000) | (47,151) | (147,495) |
| Reverse noncurrent assets | - | (435) | - | (435) |
| Reverse current liability accruals | 16,733 | 92 | 6,193 | 23,018 |
| Net position restated at June 30, 2021 | <u>\$ 406,628</u> | <u>\$ 111,591</u> | <u>\$ (47,475)</u> | <u>\$ 470,744</u> |

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12: PRIOR PERIOD ADJUSTMENTS (CONTINUED)

| | General Fund Accounts | | | | | | | Total |
|--|-------------------------------|-----------------------------------|--|----------------------------|---|--|--|-------------------|
| | ROE Administrative | Evidence Based Funding | Lighthouse Educational Assistance Program | ETC Day Program | ETC Unemployment Reserve | Suspension Temporary Option Program | Madison County Detention Center | |
| Fund balance at June 30, 2021 | \$ - | \$ 281,515 | \$ 48,679 | \$ 97,418 | \$ - | \$ 27,527 | \$ (14,757) | \$ 440,382 |
| Change in accounting basis | | | | | | | | |
| Reverse current asset accruals | - | - | (51,823) | (14,479) | - | - | (22,318) | (88,620) |
| Reverse current liability accruals | - | 35,082 | 10,644 | 17,920 | - | 5,554 | 23,654 | 92,854 |
| Fund balance restated at June 30, 2021 | <u>\$ -</u> | <u>\$ 316,597</u> | <u>\$ 7,500</u> | <u>\$ 100,859</u> | <u>\$ -</u> | <u>\$ 33,081</u> | <u>\$ (13,421)</u> | <u>\$ 444,616</u> |

| | Truants Alternative and Optional Education Project | Vocational Adjustment Counselor | Regional Safe Schools | Teacher Quality Leadership Grant | McKinney - Vento Homeless Children | GEER I | Digital Professiona l Learning | ETC Lunch Account Program | ROE ISC Operations | Total |
|--|---|--|--------------------------------------|---|---|--------------------|---|--|-------------------------------|-------------------|
| | Fund balance at June 30, 2021 | \$ 51 | \$ 234,078 | \$ - | \$ - | \$ - | \$ (1,498) | \$ - | \$ (5) | \$ - |
| Improper recognition of due to other governments | - | - | (2,363) | - | - | - | - | - | - | (2,363) |
| Change in accounting basis | | | | | | | | | | |
| Reverse current asset accruals | - | (35,139) | - | (1,594) | (10,024) | (10,675) | (4,400) | - | - | (61,832) |
| Reverse current liability accruals | - | 24,239 | 7,927 | - | 2,699 | 1,498 | - | - | 6,283 | 42,646 |
| Fund balance restated at June 30, 2021 | <u>\$ 51</u> | <u>\$ 223,178</u> | <u>\$ 5,564</u> | <u>\$ (1,594)</u> | <u>\$ (7,325)</u> | <u>\$ (10,675)</u> | <u>\$ (4,400)</u> | <u>\$ (5)</u> | <u>\$ 6,283</u> | <u>\$ 211,077</u> |

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12: PRIOR PERIOD ADJUSTMENTS (CONCLUDED)

| | Nonmajor Special Revenue Funds | | |
|--|--|--------------------------------|--------------|
| | General Education Development | Bus Driver Training | Total |
| Fund balance at June 30, 2021 | \$ 16,305 | \$ 54,231 | \$ 70,536 |
| Change in accounting basis | | | |
| Reverse current asset accruals | (716) | (330) | (1,046) |
| Reverse current liability accruals | 982 | - | 982 |
| Fund balance restated at June 30, 2021 | \$ 16,571 | \$ 53,901 | \$ 70,472 |

SUPPLEMENTARY INFORMATION

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
GENERAL FUND
COMBINING SCHEDULE OF ACCOUNTS - MODIFIED CASH BASIS
JUNE 30, 2022

SCHEDULE 1

| | <u>ROE Administrative</u> | <u>Evidence Based Funding</u> | <u>Lighthouse Educational Assistance Program</u> | <u>ETC Day Program</u> | <u>ETC Unemployment Reserve</u> | <u>Suspension Temporary Option Program</u> | <u>Madison County Detention Center</u> | <u>TRS & THIS</u> | <u>Eliminations</u> | <u>Total</u> |
|---|-------------------------------|-----------------------------------|--|----------------------------|---|--|--|-----------------------|---------------------|-------------------|
| ASSETS | | | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ 341,501 | \$ - | \$ 200 | \$ - | \$ 28,486 | \$ - | \$ 766 | \$ - | \$ 370,953 |
| Certificates of Deposit | - | - | - | 205,501 | - | - | - | - | - | 205,501 |
| Due from other funds | - | 208,287 | - | - | - | - | - | - | (146,638) | 61,649 |
| TOTAL ASSETS | <u>-</u> | <u>549,788</u> | <u>-</u> | <u>205,701</u> | <u>-</u> | <u>28,486</u> | <u>-</u> | <u>766</u> | <u>(146,638)</u> | <u>638,103</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| LIABILITIES | | | | | | | | | | |
| Due to other funds | - | - | - | 134,267 | - | - | 12,371 | - | (146,638) | - |
| TOTAL LIABILITIES | <u>-</u> | <u>-</u> | <u>-</u> | <u>134,267</u> | <u>-</u> | <u>-</u> | <u>12,371</u> | <u>-</u> | <u>(146,638)</u> | <u>-</u> |
| FUND BALANCES (DEFICITS) | | | | | | | | | | |
| Restricted | - | - | - | - | - | - | - | 766 | - | 766 |
| Assigned | - | 549,788 | - | 71,434 | - | 28,486 | - | - | - | 649,708 |
| Unassigned | - | - | - | - | - | - | (12,371) | - | - | (12,371) |
| TOTAL FUND BALANCES (DEFICITS) | <u>-</u> | <u>549,788</u> | <u>-</u> | <u>71,434</u> | <u>-</u> | <u>28,486</u> | <u>(12,371)</u> | <u>766</u> | <u>-</u> | <u>638,103</u> |
| TOTAL LIABILITIES, AND FUND BALANCES (DEFICIT) | <u>\$ -</u> | <u>\$ 549,788</u> | <u>\$ -</u> | <u>\$ 205,701</u> | <u>\$ -</u> | <u>\$ 28,486</u> | <u>\$ -</u> | <u>\$ 766</u> | <u>\$ (146,638)</u> | <u>\$ 638,103</u> |

GENERAL FUND ACCOUNT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2022

| | ROE Administrative | Evidence Based Funding | Lighthouse Educational Assistance Program | ETC Day Program | ETC Unemployment Reserve | Suspension Temporary Option Program | Madison County Detention Center | TRS & THIS | Total |
|---|-----------------------|------------------------------|--|--------------------|--------------------------------|--|--|---------------|-------------------|
| REVENUES | | | | | | | | | |
| State sources | \$ - | \$ 443,301 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 443,301 |
| Local sources | - | 146,755 | 73,360 | 194,013 | - | 45,000 | 117,065 | 77,274 | 653,467 |
| Interest Income | - | 124 | - | 1,024 | - | 5 | - | - | 1,153 |
| On-behalf payments - Local | 636,805 | 12,634 | - | 8,078 | - | - | - | - | 657,517 |
| Total revenues | <u>636,805</u> | <u>602,814</u> | <u>73,360</u> | <u>203,115</u> | <u>-</u> | <u>45,005</u> | <u>117,065</u> | <u>77,274</u> | <u>1,755,438</u> |
| EXPENDITURES | | | | | | | | | |
| Salaries | - | 219,105 | 81,385 | 161,230 | - | 38,800 | 101,676 | - | 602,196 |
| Benefits | - | 66,564 | 15,100 | 29,293 | - | 8,788 | 10,366 | 76,508 | 206,619 |
| Pension | - | 78 | 276 | 610 | - | 225 | 570 | - | 1,759 |
| Purchased services | - | 23,643 | 3,949 | 19,544 | - | 1,787 | 3,119 | - | 52,042 |
| Supplies and materials | - | 21,439 | 86 | 13,785 | - | - | 284 | - | 35,594 |
| Miscellaneous | - | - | 5,900 | - | - | - | - | - | 5,900 |
| On-behalf payments - Local | 636,805 | 12,634 | - | 8,078 | - | - | - | - | 657,517 |
| Total expenditures | <u>636,805</u> | <u>343,463</u> | <u>106,696</u> | <u>232,540</u> | <u>-</u> | <u>49,600</u> | <u>116,015</u> | <u>76,508</u> | <u>1,561,627</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | 259,351 | (33,336) | (29,425) | - | (4,595) | 1,050 | 766 | 193,811 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfer In(Out) | - | (26,160) | 25,836 | - | - | - | - | - | (324) |
| Total Other Financing Sources | - | (26,160) | 25,836 | - | - | - | - | - | (324) |
| NET CHANGE IN FUND BALANCES | - | 233,191 | (7,500) | (29,425) | - | (4,595) | 1,050 | 766 | 193,487 |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR AS RESTATED (SEE NOTE 12) | - | 316,597 | 7,500 | 100,859 | - | 33,081 | (13,421) | - | 444,616 |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ -</u> | <u>\$ 549,788</u> | <u>\$ -</u> | <u>\$ 71,434</u> | <u>\$ -</u> | <u>\$ 28,486</u> | <u>\$ (12,371)</u> | <u>\$ 766</u> | <u>\$ 638,103</u> |

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO.41
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS - MODIFIED CASH BASIS
 JUNE 30, 2022

SCHEDULE 3

| | <u>Truants Alternative and Optional Education Project</u> | <u>Vocational Adjustment Counselor</u> | <u>Regional Safe Schools</u> | <u>Teacher Quality Leadership Grant</u> | <u>McKinney - Vento Homeless Children</u> | <u>GEER I</u> | <u>Digital Equity</u> |
|---|---|--|----------------------------------|---|---|---------------|-----------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 1,953 | \$ 250,756 | \$ 3,311 | \$ - | \$ - | \$ - | \$ - |
| TOTAL ASSETS | <u>1,953</u> | <u>250,756</u> | <u>3,311</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| LIABILITIES | | | | | | | |
| Due to other funds | - | - | - | - | 10,965 | - | - |
| Due to other governments | 1,898 | - | 5,603 | - | - | - | - |
| TOTAL LIABILITIES | <u>1,898</u> | <u>-</u> | <u>5,603</u> | <u>-</u> | <u>10,965</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES (DEFICITS) | | | | | | | |
| Restricted | 55 | 250,756 | - | - | - | - | - |
| Unassigned | - | - | (2,292) | - | (10,965) | - | - |
| TOTAL FUND BALANCES (DEFICITS) | <u>55</u> | <u>250,756</u> | <u>(2,292)</u> | <u>-</u> | <u>(10,965)</u> | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES, AND FUND BALANCES (DEFICIT) | <u>\$ 1,953</u> | <u>\$ 250,756</u> | <u>\$ 3,311</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO.41
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS - MODIFIED CASH BASIS
JUNE 30, 2022

SCHEDULE 3
(Concluded)

| | <u>Digital Professional Learning</u> | <u>ARP-ESSER III</u> | <u>CARES - ESSER</u> | <u>ARP - McKinney-Vento Homeless Children</u> | <u>ETC Lunch Account Program</u> | <u>ROE ISC Operations</u> | <u>Total</u> |
|---|--------------------------------------|----------------------|----------------------|---|----------------------------------|---------------------------|-------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ 10,357 | \$ 10,054 | \$ 276,431 |
| TOTAL ASSETS | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,357</u> | <u>10,054</u> | <u>276,431</u> |
| LIABILITIES | | | | | | | |
| Due to other funds | - | - | - | 29,830 | - | - | 40,795 |
| Due to other governments | - | - | - | - | - | 80 | 7,581 |
| TOTAL LIABILITIES | <u>-</u> | <u>-</u> | <u>-</u> | <u>29,830</u> | <u>-</u> | <u>80</u> | <u>48,376</u> |
| FUND BALANCES (DEFICITS) | | | | | | | |
| Restricted | - | - | - | - | 10,357 | 9,974 | 271,142 |
| Unassigned | - | - | - | (29,830) | - | - | (43,087) |
| TOTAL FUND BALANCES (DEFICITS) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(29,830)</u> | <u>10,357</u> | <u>9,974</u> | <u>228,055</u> |
| TOTAL LIABILITIES, AND FUND BALANCES (DEFICIT) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,357</u> | <u>\$ 10,054</u> | <u>\$ 276,431</u> |

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO.41
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 4

| | <u>Truants Alternative and Optional Education Project</u> | <u>Vocational Adjustment Counselor</u> | <u>Regional Safe Schools</u> | <u>Teacher Quality Leadership Grant</u> | <u>McKinney - Vento Homeless Children</u> | <u>GEER I</u> | <u>Digital Equity</u> |
|---|---|--|----------------------------------|---|---|-----------------|-----------------------|
| REVENUES | | | | | | | |
| Federal sources | \$ - | \$ - | \$ - | \$ 1,594 | \$ 93,747 | \$ 14,085 | \$ 23,073 |
| State sources | 85,616 | 168,725 | 130,951 | - | - | - | - |
| Local sources | - | 80,001 | - | - | - | - | - |
| Interest Income | 1 | 67 | - | - | - | - | - |
| Total revenues | <u>85,617</u> | <u>248,793</u> | <u>130,951</u> | <u>1,594</u> | <u>93,747</u> | <u>14,085</u> | <u>23,073</u> |
| EXPENDITURES | | | | | | | |
| Salaries | 63,564 | 158,175 | 113,580 | - | 49,358 | - | - |
| Benefits | 14,200 | 36,739 | 21,658 | - | 10,629 | - | - |
| Pension | 263 | 433 | 612 | - | 3,630 | - | - |
| Purchased services | 6,362 | 17,200 | 2,523 | - | 10,787 | - | 18,107 |
| Supplies and materials | 1,224 | 8,668 | 434 | - | 20,610 | 3,410 | 4,966 |
| Intergovernmental: | | | | | | | |
| Payments to other governments | - | - | - | - | 2,373 | - | - |
| Total expenditures | <u>85,613</u> | <u>221,215</u> | <u>138,807</u> | <u>-</u> | <u>97,387</u> | <u>3,410</u> | <u>23,073</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 4 | 27,578 | (7,856) | 1,594 | (3,640) | 10,675 | - |
| OTHER FINANCING SOURCES | | | | | | | |
| Transfers in (out) | - | - | - | - | - | - | - |
| NET CHANGE IN FUND BALANCES | 4 | 27,578 | (7,856) | 1,594 | (3,640) | 10,675 | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR AS RESTATED (SEE NOTE 12) | <u>51</u> | <u>223,178</u> | <u>5,564</u> | <u>(1,594)</u> | <u>(7,325)</u> | <u>(10,675)</u> | <u>-</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 55</u> | <u>\$ 250,756</u> | <u>\$ (2,292)</u> | <u>\$ -</u> | <u>\$ (10,965)</u> | <u>\$ -</u> | <u>\$ -</u> |

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO.41
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 4
(Concluded)

| | Digital Professional Learning | ARP-ESSER III | CARES - ESSER | ARP - McKinney-Vento Homeless Children | ETC Lunch Account Program | ROE ISC Operations | Total |
|---|-------------------------------|---------------|---------------|--|---------------------------|--------------------|-------------------|
| REVENUES | | | | | | | |
| Federal sources | \$ 4,460 | \$ 39,814 | \$ 57 | \$ - | \$ 32,928 | \$ - | \$ 209,758 |
| State sources | - | - | - | - | 353 | 160,401 | 546,046 |
| Local sources | - | - | - | - | 375 | - | 80,376 |
| Interest Income | - | - | - | - | 2 | - | 70 |
| Total revenues | <u>4,460</u> | <u>39,814</u> | <u>57</u> | <u>-</u> | <u>33,658</u> | <u>160,401</u> | <u>836,250</u> |
| EXPENDITURES | | | | | | | |
| Salaries | - | 32,063 | - | - | - | 108,244 | 524,984 |
| Benefits | - | 7,159 | - | - | - | 18,896 | 109,281 |
| Pension | - | 182 | - | - | - | 193 | 5,313 |
| Purchased services | - | - | - | 29,830 | 23,296 | 25,528 | 133,633 |
| Supplies and materials | 60 | 410 | 57 | - | - | 3,849 | 43,688 |
| Intergovernmental: | | | | | | | |
| Payments to other governments | - | - | - | - | - | - | 2,373 |
| Total expenditures | <u>60</u> | <u>39,814</u> | <u>57</u> | <u>29,830</u> | <u>23,296</u> | <u>156,710</u> | <u>819,272</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 4,400 | - | - | (29,830) | 10,362 | 3,691 | 16,978 |
| OTHER FINANCING SOURCES | | | | | | | |
| Transfers in (out) | - | - | - | - | - | - | - |
| NET CHANGE IN FUND BALANCES | 4,400 | - | - | (29,830) | 10,362 | 3,691 | 16,978 |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR AS RESTATED (SEE NOTE 12) | (4,400) | - | - | - | (5) | 6,283 | 211,077 |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (29,830)</u> | <u>\$ 10,357</u> | <u>\$ 9,974</u> | <u>\$ 228,055</u> |

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
 EDUCATION FUND ACCOUNTS
 BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 5

| | Truants Alternative and Optional Education Project | | | Regional Safe Schools | | | McKinney-Vento Homeless Children | | |
|---|---|---------------|-------------------|-----------------------|----------------|-------------------|----------------------------------|---------------|--------------------|
| | Budgeted Amounts | | Actual Amounts | Budgeted Amounts | | Actual Amounts | Budgeted Amounts | | Actual Amounts |
| | Original | Final | | Original | Final | | Original | Final | |
| REVENUES | | | | | | | | | |
| Federal sources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 97,099 | \$ 97,099 | \$ 93,747 |
| State sources | 87,514 | 87,514 | 85,616 | 136,472 | 136,472 | 130,951 | - | - | - |
| Local sources | - | - | - | - | - | - | - | - | - |
| Interest Income | - | - | 1 | - | - | - | - | - | - |
| Total revenues | <u>87,514</u> | <u>87,514</u> | <u>85,617</u> | <u>136,472</u> | <u>136,472</u> | <u>130,951</u> | <u>97,099</u> | <u>97,099</u> | <u>93,747</u> |
| EXPENDITURES | | | | | | | | | |
| Salaries | 65,650 | 63,650 | 63,564 | 112,526 | 112,526 | 113,580 | 43,722 | 43,722 | 49,358 |
| Benefits | 15,142 | 15,142 | 14,200 | 20,515 | 20,515 | 21,658 | 12,126 | 12,126 | 10,629 |
| Pension | 416 | 416 | 263 | 386 | 386 | 612 | - | - | 3,630 |
| Purchased services | 5,081 | 7,081 | 6,362 | 2,634 | 2,634 | 2,523 | 20,751 | 20,751 | 10,787 |
| Supplies and materials | 1,225 | 1,225 | 1,224 | 411 | 411 | 434 | 20,500 | 20,500 | 20,610 |
| Capital Outlay | - | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - | - |
| Payments to other governments | - | - | - | - | - | - | - | - | 2,373 |
| Total expenditures | <u>87,514</u> | <u>87,514</u> | <u>85,613</u> | <u>136,472</u> | <u>136,472</u> | <u>138,807</u> | <u>97,099</u> | <u>97,099</u> | <u>97,387</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | 4 | <u>\$ -</u> | <u>\$ -</u> | (7,856) | <u>\$ -</u> | <u>\$ -</u> | (3,640) |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR AS RESTATED (SEE NOTE 12) | | | <u>51</u> | | | <u>5,564</u> | | | <u>(7,325)</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | | | <u>\$ 55</u> | | | <u>\$ (2,292)</u> | | | <u>\$ (10,965)</u> |

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
 EDUCATION FUND ACCOUNTS
 BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 5
 (CONTINUED)

| | Digital Equity | | | ARP - ESSER III | | | CARES - ESSER | | |
|---|------------------|---------------|-------------------|------------------|---------------|-------------------|------------------|-------------|-------------------|
| | Budgeted Amounts | | Actual Amounts | Budgeted Amounts | | Actual Amounts | Budgeted Amounts | | Actual Amounts |
| | Original | Final | | Original | Final | | Original | Final | |
| REVENUES | | | | | | | | | |
| Federal sources | \$ 23,073 | \$ 23,073 | \$ 23,073 | \$ 45,798 | \$ 45,798 | \$ 39,814 | \$ 57 | \$ 57 | \$ 57 |
| State sources | - | - | - | - | - | - | - | - | - |
| Local sources | - | - | - | - | - | - | - | - | - |
| Interest Income | - | - | - | - | - | - | - | - | - |
| Total revenues | <u>23,073</u> | <u>23,073</u> | <u>23,073</u> | <u>45,798</u> | <u>45,798</u> | <u>39,814</u> | <u>57</u> | <u>57</u> | <u>57</u> |
| EXPENDITURES | | | | | | | | | |
| Salaries | - | - | - | 36,135 | 36,135 | 32,063 | - | - | - |
| Benefits | - | - | - | 8,462 | 8,462 | 7,159 | - | - | - |
| Pension | - | - | - | - | - | 182 | - | - | - |
| Purchased services | - | - | 18,107 | 791 | 791 | - | - | - | - |
| Supplies and materials | 7,185 | 4,612 | 4,966 | 410 | 410 | 410 | 57 | 57 | 57 |
| Capital Outlay | 15,888 | 18,461 | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - | - |
| Payments to other governments | - | - | - | - | - | - | - | - | - |
| Total expenditures | <u>23,073</u> | <u>23,073</u> | <u>23,073</u> | <u>45,798</u> | <u>45,798</u> | <u>39,814</u> | <u>57</u> | <u>57</u> | <u>57</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR AS RESTATED (SEE NOTE 12) | | | <u>-</u> | | | <u>-</u> | | | <u>-</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | | | <u>\$ -</u> | | | <u>\$ -</u> | | | <u>\$ -</u> |

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
EDUCATION FUND ACCOUNTS
BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 5
(CONCLUDED)

| | ARP - McKinney-Vento Homless Children | | | ROE ISC Operations | | | Total | | |
|---|---------------------------------------|----------------|--------------------|--------------------|----------------|-----------------|------------------|----------------|--------------------|
| | Budgeted Amounts | | Actual Amounts | Budgeted Amounts | | Actual Amounts | Budgeted Amounts | | Actual Amounts |
| | Original | Final | | Original | Final | | Original | Final | |
| REVENUES | | | | | | | | | |
| Federal sources | \$ 149,201 | \$ 149,201 | \$ - | \$ - | \$ - | \$ - | \$ 315,228 | \$ 315,228 | \$ 156,691 |
| State sources | - | - | - | 160,457 | 160,457 | 160,401 | 384,443 | 384,443 | 376,968 |
| Local sources | - | - | - | - | - | - | - | - | - |
| Interest Income | - | - | - | - | - | - | - | - | 1 |
| Total revenues | <u>149,201</u> | <u>149,201</u> | <u>-</u> | <u>160,457</u> | <u>160,457</u> | <u>160,401</u> | <u>699,671</u> | <u>699,671</u> | <u>533,660</u> |
| EXPENDITURES | | | | | | | | | |
| Salaries | 42,000 | 42,000 | - | 100,722 | 100,722 | 108,244 | 400,755 | 398,755 | 366,809 |
| Benefits | 9,701 | 9,701 | - | 18,107 | 18,107 | 18,896 | 84,053 | 84,053 | 72,542 |
| Pension | - | - | - | 435 | 435 | 193 | 1,237 | 1,237 | 4,880 |
| Purchased services | 61,500 | 61,500 | 29,830 | 37,309 | 37,309 | 25,528 | 128,066 | 130,066 | 93,137 |
| Supplies and materials | 36,000 | 36,000 | - | 3,884 | 3,884 | 3,849 | 69,672 | 67,099 | 31,550 |
| Capital Outlay | - | - | - | - | - | - | 15,888 | 18,461 | - |
| Miscellaneous | - | - | - | - | - | - | - | - | - |
| Payments to other governments | - | - | - | - | - | - | - | - | 2,373 |
| Total expenditures | <u>149,201</u> | <u>149,201</u> | <u>29,830</u> | <u>160,457</u> | <u>160,457</u> | <u>156,710</u> | <u>699,671</u> | <u>699,671</u> | <u>571,291</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>(29,830)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>3,691</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(37,631)</u> |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR AS RESTATED (SEE NOTE 12) | | | <u>-</u> | | | <u>6,283</u> | | | <u>4,573</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | | | <u>\$ (29,830)</u> | | | <u>\$ 9,974</u> | | | <u>\$ (33,058)</u> |

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
JUNE 30, 2022**

SCHEDULE 6

| | <u>General Education Development</u> | <u>Bus Driver Training</u> | <u>Total</u> |
|----------------------------|--|--------------------------------|------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 13,451 | \$ 53,538 | \$ 66,989 |
| TOTAL ASSETS | <u>13,451</u> | <u>53,538</u> | <u>66,989</u> |
| FUND BALANCES | | | |
| Restricted | 13,451 | 53,538 | 66,989 |
| TOTAL FUND BALANCES | <u>\$ 13,451</u> | <u>\$ 53,538</u> | <u>\$ 66,989</u> |

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

SCHEDULE 7

| | <u>General Education Development</u> | <u>Bus Driver Training</u> | <u>Total</u> |
|---|--|----------------------------|------------------|
| REVENUES | | | |
| State sources | \$ - | \$ 1,838 | \$ 1,838 |
| Local sources | 14,985 | 6,860 | 21,845 |
| Interest Income | 4 | 17 | 21 |
| Total revenues | <u>14,989</u> | <u>8,715</u> | <u>23,704</u> |
| EXPENDITURES | | | |
| Salaries | 8,822 | 6,800 | 15,622 |
| Benefits | 1,022 | 1,112 | 2,134 |
| Purchased services | 6,008 | 1,017 | 7,025 |
| Supplies and materials | 2,257 | 149 | 2,406 |
| Total expenditures | <u>18,109</u> | <u>9,078</u> | <u>27,187</u> |
| NET CHANGE IN FUND BALANCES | (3,120) | (363) | (3,483) |
| FUND BALANCES, BEGINNING OF YEAR AS RESTATED (SEE NOTE 12) | <u>16,571</u> | <u>53,901</u> | <u>70,472</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 13,451</u> | <u>\$ 53,538</u> | <u>\$ 66,989</u> |