

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

FINANCIAL AUDIT
(In Accordance with the
Uniform Guidance)

**FOR THE YEAR ENDED
JUNE 30, 2023**

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

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

Regional Superintendent
(October 1, 2022 to current)

Ms. Jill Reedy

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

Mr. Matthew Snyder

Assistant Regional Superintendent
(October 1, 2022 to current)

Dr. Nancy Brodbeck

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

Ms. Jill Reedy

Office is located at:

3433 Rupp Parkway
Decatur, IL 62526

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

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

AUDITOR’S REPORT

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	8	7
Repeated audit findings	6	4
Prior recommendations implemented or not repeated	1	1

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>Findings (Government Auditing Standards)</i>			
2023-001	15	Controls over Financial Statement Preparation	Material Weakness
2023-002	17	Controls over Grants Compliance	Noncompliance
2023-003	19	Delay of Audit	Noncompliance
<i>Findings and Questioned Costs (Federal Compliance)</i>			
2023-002	17	Controls over Grants Compliance	Noncompliance
2023-004	21	Inadequate Record Keeping Over Equipment from Federal Funds	Noncompliance and Significant Deficiency
2023-005	23	Controls over Allowable Costs and Costs Principles	Noncompliance and Significant Deficiency
2023-006	25	Controls over Subrecipient Monitoring	Noncompliance and Significant Deficiency
2023-007	27	Controls over Preparation of Schedule of Expenditures of Federal Awards	Noncompliance and Significant Deficiency
2023-008	29	Untimely Submission of Data Collection Form and Related Reporting Package	Noncompliance and Significant Deficiency
<i>Prior Audit Findings not Repeated (Government Auditing Standards)</i>			
2022-004	41	Controls over Review of Journal Entries	Significant Deficiency

Prior Audit Findings not Repeated (Federal Compliance)

None.

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

EXIT CONFERENCE

The Macon and Piatt Counties Regional Office of Education No. 39 waived an exit conference in a correspondence from Ms. Elizabeth Shiver, Business Office Manager, on November 14, 2024. The responses to the recommendations were provided by Ms. Elizabeth Shiver, Business Office Manager, in a correspondence dated December 6, 2024.

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

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

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



INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Audit of the Financial Statements

Opinions

As Special Assistant Auditors for the Auditor General, we have audited the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Macon and Piatt Counties Regional Office of Education No. 39, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Macon and Piatt Counties Regional Office of Education No. 39's basic financial statements as listed in the table of contents.

In our opinion, the accompanying modified cash basis 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 Macon and Piatt Counties Regional Office of Education No. 39 as of June 30, 2023, and the respective changes in modified cash basis financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as 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 Macon and Piatt Counties Regional Office of Education No. 39, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 to the financial statements which described the basis of accounting. The Macon and Piatt Counties Regional Office of Education No. 39 has presented its 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 (GAAP). Our opinions are not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Macon and Piatt Counties Regional Office of Education No. 39's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Macon and Piatt Counties Regional Office of Education No. 39's ability to continue as a going concern for a reasonable period of time.



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Macon and Piatt Counties Regional Office of Education No. 39's basic financial statements. The modified cash basis combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the modified cash basis combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance, are fairly stated, in all material respects, in relation to the basic financial statements as a whole 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 December 13, 2024 on our consideration of the Macon and Piatt Counties Regional Office of Education No. 39's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Macon and Piatt Counties Regional Office of Education No. 39's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Macon and Piatt Counties Regional Office of Education No. 39's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
December 13, 2024





**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 Macon and Piatt Counties Regional Office of Education No. 39, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Macon and Piatt Counties Regional Office of Education No. 39’s modified cash basis financial statements, and have issued our report thereon dated December 13, 2024.

Report on Internal Control Over Financial Reporting

Management of the Macon and Piatt Counties Regional Office of Education No. 39 is responsible for establishing and maintaining effective internal control over financial reporting (internal control).

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

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 certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Macon and Piatt Counties Regional Office of Education No. 39’s modified cash basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedules of Findings and Questioned Costs as items 2023-002 and 2023-003.

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Macon and Piatt Counties Regional Office of Education No. 39’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Macon and Piatt Counties Regional Office of Education No. 39’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
December 13, 2024





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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

As Special Assistant Auditors for the Auditor General, we have audited the Macon and Piatt Counties Regional Office of Education No. 39’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Macon and Piatt Counties Regional Office of Education No. 39’s major federal programs for the year ended June 30, 2023. The Macon and Piatt Counties Regional Office of Education No. 39’s major federal programs are identified in the summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Macon and Piatt Counties Regional Office of Education No. 39’s complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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



Other Matters

Instances of Noncompliance

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-002 and 2023-004 through 2023-008. Our opinion on each major federal program is not modified with respect to these matters.

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

Corrective Action Plan

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

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

Report on Internal Control Over Compliance

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

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



over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2023-004 to 2023-008 to be significant deficiencies.

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

Internal Control Findings

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

Corrective Action Plan

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

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

SIGNED ORIGINAL ON FILE

Chicago, Illinois
December 13, 2024



Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section I – Summary of Auditor’s Results
For the Year Ended June 30, 2023

Financial Statements in Accordance with Modified Cash Basis of Accounting

Type of auditor’s report issued: Unmodified

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

Noncompliance material to financial statements noted? ✓ Yes No

Federal Awards

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

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

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

Identification of major federal programs:

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

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

Auditee qualified as low-risk auditee Yes ✓ No

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2023

FINDING 2023-001 - Controls over Financial Statement Preparation (Repeat from Findings 22-001, 21-001, 20-001, 19-001 and 18-001)

CRITERIA/SPECIFIC REQUIREMENT:

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

The Regional Office of Education No. 39's internal controls over financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare financial statements and include all related disclosures as required by the Governmental Accounting Standards Board (GASB). GASB Statement No. 87, *Leases*, provides guidance regarding properly identifying lease contracts, determining contracts that qualify as a lease under GASB Statement No. 87, and note disclosure requirements such as general description of its leasing arrangements, payments, cancellation clauses and other disclosures similar to GAAP to the extent applicable to the Regional Office of Education No. 39.

CONDITION:

The Regional Office of Education No. 39 did not have sufficient internal controls over the financial reporting process. While the Regional Office of Education No. 39 did maintain records to indicate the balances of financial statement accounts, material audit adjustments and changes to the related disclosures were proposed in order to ensure those balances and disclosures were accurate and appropriate for the basis of accounting selected for financial statement presentation. Specifically, we noted the following adjustments:

- Non-capitalizable assets totaling \$31,512 were incorrectly recorded as capital assets.
- An incorrect depreciation policy was applied, resulting in an overstatement of depreciation expense by \$7,742.
- In the restatement related to the transition from the accrual basis to the modified cash basis of accounting, intergovernmental balances from the prior period were not eliminated, resulting in an understatement of \$11,787 in the general fund and an overstatement of \$11,787 in the fiduciary fund beginning balances.
- Intergovernmental balances were not eliminated, leading to an understatement of \$4,229 in the general fund and an overstatement of \$4,229 in fiduciary fund cash and cash equivalents.
- On-behalf payments revenues and expenditures related to the Regional Office of Education No. 39's share of THIS OPEB benefit was understated by \$322,632.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2023

FINDING 2023-001 - Controls over Financial Statement Preparation (Repeat from Findings 22-001, 21-001, 20-001, 19-001 and 18-001) (Continued)

- Improper classification of revenue resulted in an unusual credit balance of \$17,700 in expenditures. The credit balance should have been recorded as transfers in, due to other funds covering the excess expenditures from a grant.
- Improper classification of expenditures resulted in an unusual credit balance of \$292,878 in expenditures. This credit balance represents reimbursements from other funds for salaries and benefits, purchased services, and supplies and materials, which should have been allocated to the appropriate expenditure accounts rather than solely to purchased services.

Additionally, the Regional Office of Education No. 39 failed to identify a lease contract that qualifies as a lease under GASB Statement No. 87, *Leases*, thus causing an omission of a disclosure considered necessary to achieve a fair presentation of Regional Office of Education No. 39's modified cash basis financial statements.

EFFECT:

The Regional Office of Education No. 39 management or its employees, in the normal course of performing their assigned functions, did not prevent or detect financial statement misstatements in a timely manner.

CAUSE:

Management indicated the above exceptions were due to oversight.

RECOMMENDATION:

As part of internal control over the preparation of financial statements, the Regional Office of Education No. 39 should implement comprehensive preparation procedures to ensure the financial statements and disclosures are complete and accurate.

MANAGEMENT'S RESPONSE:

The Regional Office of Education No. 39 agrees with the finding and will implement controls over financial statements for both the internal Business Office Manager and the contracted accounting firm to prepare and review the financial statements to ensure that balances are reconciled and accurate for financial statement preparation.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2023

FINDING 2023-002 - Controls over Grants Compliance (Repeat from Findings 22-002, 21-002, 20-002, and 19-002)

Federal Agency:	Department of Education
Assistance Listing Numbers:	84.425; 84.425; 84.425W;84.425R;84.196A
Program Names and Award Numbers:	Education Stabilization Fund COVID-19 - American Rescue Plan (ARP) - Social Emotional Learning and Trauma Response COVID-19 - ARP - Elementary and Secondary School Emergency Relief (ARP ESSER) - Community Partnership COVID-19 - ARP ESSER - Homeless Children and Youth COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools
	Other Program McKinney Education for Homeless Children
Program Expenditures:	\$703,577; \$323,529; \$54,905; \$46,000; \$19,656
Questioned Costs:	None

CRITERIA/SPECIFIC REQUIREMENT:

The grant award agreements between the Regional Office of Education No. 39 and Illinois State Board of Education require the Regional Office of Education No. 39 to complete and submit expenditure reports quarterly and performance reports semi-annually. The quarterly expenditure reports are due 20 calendar days after the end of the reporting quarter while the semi-annual performance reports are due 30 calendar days after the reporting semi-annual period. The Regional Office of Education No. 39 is also required to submit an annual performance report describing how the Regional Office of Education No. 39 used the awarded funds during the performance period. The annual reports are due June 6, 2024.

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

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2023

FINDING 2023-002 - Controls over Grants Compliance (Repeat from Findings 22-002, 21-002, 20-002, and 19-002) (Continued)

CONDITION:

The Regional Office of Education No. 39 did not submit or timely submit the required reports to the Illinois State Board of Education in compliance with the grant award agreement.

CONTEXT:

During testing of the Regional Office of Education No. 39's compliance with the grant reporting requirements, we noted the following:

- Sixteen of 38 (42%) quarterly expenditure reports were submitted 1 to 112 days late.
- Two of 2 (100%) annual reports were not submitted.

EFFECT:

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

CAUSE:

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

RECOMMENDATION:

We recommend the Regional Office of Education No. 39 implement procedures to ensure adherence to the grant reporting requirements.

MANAGEMENT'S RESPONSE:

The Regional Office of Education No. 39 agrees with the findings and will provide close oversight for the timely submission of grant expenditures and performance reports. Checklist, due dates, and reminders are shared from the Regional Superintendent to the Business Office Manager and Program Directors. Management will review the grant report submissions in Illinois Web Accessibility System for accuracy and completion before approving and submitting to the Illinois State Board of Education.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2023

FINDING 2023-003 – Delay of Audit (Repeat from Findings 22-003, 21-003, 20-003, and 19-003)

CRITERIA/SPECIFIC REQUIREMENT:

Regional Office of Education No. 39 is subject to 105 ILCS 5/2-3.17a which requires the Auditor General’s office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Government Auditing Standards. A Regional Office of Education or Educational Service Center is to utilize a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for audit.

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

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

CONDITION:

The Regional Office of Education No. 39 did not provide completed financial statements in auditable form by the August 31, 2023, deadline. The preliminary draft was provided to the auditors on June 4, 2024.

EFFECT:

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

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section II – Financial Statement Findings
For the Year Ended June 30, 2023

FINDING 2023-003 – Delay of Audit (Repeat from Findings 22-003, 21-003, 20-003, and 19-003) (Continued)

CAUSE:

The Fiscal Year 2020, 2021 and 2022 audits were late resulting in the delay of the Fiscal Year 2023 audit. Previous management was not monitoring this timeline, which led to the audits falling behind.

RECOMMENDATION:

The Regional Office of Education No. 39 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’S RESPONSE:

The Regional Office of Education No. 39 agrees with the findings and is working with their contracted accounting firm to ensure that the office gets back on schedule with the yearly audit deadlines.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2023

FINDING 2023-004 – Inadequate Record Keeping Over Equipment from Federal Funds

Federal Agency:	Department of Education
Assistance Listing Numbers:	84.425; 84.425; 84.425W
Program Names and Award Numbers:	Education Stabilization Fund COVID-19 - American Rescue Plan (ARP) - Social Emotional Learning and Trauma Response COVID-19 - ARP - Elementary and Secondary School Emergency Relief (ARP ESSER) - Community Partnership COVID-19 - ARP ESSER - Homeless Children and Youth
Program Expenditures:	\$703,577; \$323,529; \$46,000
Questioned Costs:	None

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Office of Education No. 39 did not have adequate record keeping over its equipment acquired from federal funds.

The Code of Federal Regulations (2 CFR §200.313(d)(1)) requires that procedures for managing equipment acquired with federal funds must maintain property records that include the following information: (i) a description of the property, (ii) manufacturer's serial number or other identification number, (iii) source of the funding for the property (including the FAIN), (iv) who holds title, (v) acquisition date (vi) cost of the property, (vii) percentage of federal contribution in the project cost for the Federal award under which the property was acquired, (viii) location (ix) use and condition of the property, and (x) and any ultimate disposition data, including date of disposal and sale price of the property.

Moreover, the Code (2 CFR §200.313(d)(2)) requires that a physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

In addition, the Code (2 CFR §200.303 (a)) requires the Regional Office of Education No. 39 to establish and maintain effective internal control over the federal award to provide reasonable assurance the Regional Office of Education No. 39 is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include record keeping and monitoring of equipment acquired from federal funds.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2023

FINDING 2023-004 – Inadequate Record Keeping Over Equipment from Federal Funds
(Continued)

CONDITION:

The Regional Office of Education No. 39 asset details in the property records include only the description of the property, acquisition date, and cost of the property. The other minimum requirements specified by the Code are not included in the property records.

Moreover, the Regional Office of Education No. 39 was unable to properly account for the results of its physical inventory count and only performed partial reconciliation.

EFFECT:

Inadequate record keeping over equipment acquired from federal funds may result in noncompliance with the Code. Additionally, incomplete reconciliation of physical inventory can lead to discrepancies in financial reporting, affecting overall accountability.

CAUSE:

Management indicated the issue was due to oversight and lack of training on requirements by the previous management.

RECOMMENDATION:

We recommend the Regional Office of Education No. 39 comply with federal regulations by monitoring equipment acquired from federal funds and establish a regular schedule for comprehensive reconciliation of physical inventory to ensure accurate financial reporting and enhance overall accountability.

MANAGEMENT’S RESPONSE:

The Regional Office of Education No. 39 agrees with the audit findings and is implementing documents and procedures to meet requirements in the future.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2023

FINDING 2023-005 – Controls over Allowable Costs and Costs Principles (Repeat from Finding 22-005)

Federal Agency:	Department of Education
Assistance Listing Numbers:	84.425;84.425R
Program Names and Award Numbers:	Education Stabilization Fund COVID-19 - ARP - Social Emotional Learning and Trauma Response COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools
Program Expenditures:	\$703,577; \$54,905
Questioned Costs:	None

CRITERIA/SPECIFIC REQUIREMENT:

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

The Code of Federal Regulations (Code) (2 CFR §200.403(g)) states that costs must be adequately documented in order to be allowable under Federal Awards.

In addition, the Code (2 CFR §200.303 (a)) requires the Regional Office of Education No. 39 to establish and maintain effective internal control over the federal award to provide reasonable assurance the Regional Office of Education No. 39 is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure expenditures under Federal awards are supported, reviewed and approved.

CONDITION:

The Regional Office of Education No. 39 did not ensure costs or expenditures were adequately documented, reviewed, and approved to ensure allowability under the federal award.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2023

FINDING 2023-005 – Controls over Allowable Costs and Costs Principles (Repeat from Finding 22-005) (Continued)

CONTEXT:

During testing of 60 expenditures totaling \$854,868, we noted the following:

- Ten (17%) expenditures had invoices or receipts that were not initialed by the Program Director or Regional Superintendent to indicate review and approval of the expenditures; and,
- Two (3%) expenditures were not supported with a requisition form.

EFFECT:

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

CAUSE:

Management indicated that expenditures were not signed by the Regional Superintendent or Program Director due to oversight and the supporting requisition forms were misplaced by previous responsible personnel.

RECOMMENDATION:

We recommend the Regional Office of Education No. 39 ensures all expenditures are properly supported, reviewed, and approved prior to payment.

MANAGEMENT'S RESPONSE:

The Regional Office of Education No. 39 agrees with the audit findings and is implementing a new process to ensure all expenditures have documented approval and review.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2023

FINDING 2023-006 – Controls over Subrecipient Monitoring (Repeat from Finding 22-006)

Federal Agency:	Department of Education
Assistance Listing Numbers:	84.425; 84.425; 84.425W
Program Names and Award Numbers:	Education Stabilization Fund COVID-19 - American Rescue Plan (ARP) - Social Emotional Learning and Trauma Response COVID-19 - ARP - Elementary and Secondary School Emergency Relief (ARP ESSER) - Community Partnership COVID-19 - ARP ESSER - Homeless Children and Youth
Program Expenditures:	\$703,577; \$323,529; \$46,000
Questioned Costs:	None

CRITERIA/SPECIFIC REQUIREMENT:

The Code of Federal Regulations (Code) (2 CFR § 200.332 (g)) requires the Regional Office of Education No. 39 to verify every subrecipient is audited as required by Subpart F when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR § 200.501.

The Code (2 CFR § 200.332 (e)) requires the Regional Office of Education No. 39 to monitor the activities of the subrecipient to ensure the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved.

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

CONDITION:

The Regional Office of Education No. 39 did not have adequate controls over subrecipient monitoring in compliance with the Code.

**Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2023**

**FINDING 2023-006 – Controls over Subrecipient Monitoring (Repeat from Finding 22-006)
(Continued)**

CONTEXT:

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

- The Regional Office of Education No. 39 did not verify whether subrecipients were required to be audited.
- The Regional Office of Education No. 39 did not have written policies and procedures for subrecipient monitoring and could not provide evidence the Regional Office of Education No. 39 monitored its subrecipients during the audit period.

EFFECT:

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

CAUSE:

Management indicated this was due to oversight and staffing limitations by previous management.

RECOMMENDATION:

We recommend the Regional Office of Education No. 39 establish and implement procedures over subrecipient monitoring.

MANAGEMENT’S RESPONSE:

The Regional Office of Education No. 39 agrees with the audit findings and although some subrecipient monitoring was conducted, it may not have been sufficiently documented. The Regional Office of Education No. 39 is implementing policies and procedures to ensure subrecipient monitoring is not only conducted but documented as well.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2023

FINDING 2023-007 – Controls over Preparation of Schedule of Expenditures of Federal Awards (Repeat from Finding 22-007)

Federal Agency:	Department of Education
Assistance Listing Numbers:	84.425; 84.425; 84.425W;84.425R;84.196A
Program Names and Award Numbers:	Education Stabilization Fund COVID-19 - American Rescue Plan (ARP) - Social Emotional Learning and Trauma Response COVID-19 - ARP - Elementary and Secondary School Emergency Relief (ARP ESSER) - Community Partnership COVID-19 - ARP ESSER - Homeless Children and Youth COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools
	Other Program McKinney Education for Homeless Children
Program Expenditures:	\$703,577; \$323,529; \$54,905; \$46,000; \$19,656
Questioned Costs:	None

CRITERIA/SPECIFIC REQUIREMENT:

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

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

CONDITION:

The Regional Office of Education No. 39 did not have sufficient internal controls over the preparation of the Schedule of Expenditures of Federal Awards (SEFA) to ensure all federal expenditures during the fiscal year were reported and information in the SEFA was accurately reported.

**Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2023**

FINDING 2023-007 – Controls over Preparation of Schedule of Expenditures of Federal Awards (Repeat from Finding 22-007) (Continued)

CONTEXT:

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

- The Education Stabilization Fund was not specifically categorized in the SEFA and the total federal awards expended for the program was not reported.
- Program title descriptions were incorrect.
- Assistance listing number was incorrectly listed.
- Pass-through subrecipient amount was not indicated.

EFFECT:

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

CAUSE:

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

RECOMMENDATION:

The Regional Office of Education No. 39 should establish and implement internal controls over preparation of the SEFA to ensure accurate reporting.

MANAGEMENT'S RESPONSE:

The Regional Office of Education No. 39 agrees with the audit findings and will work with contracted accounting firm to ensure that the schedule of expenditures of federal awards are accurately reported as required.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2023

FINDING 2023-008 – Untimely Submission of Data Collection Form and Related Reporting Package

Federal Agency:	Department of Education
CFDA Numbers:	84.425; 84.425D; 84.425U; 84.425W; 84.425R; 84.196A; 10.555
Program Names and Award Numbers:	Education Stabilization Fund COVID-19 - ARP - Social Emotional Learning and Trauma Response COVID-19 - Elementary/Secondary Relief - Digital Equity COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools
	Other Programs McKinney Education for Homeless Children National School Lunch Program
Program Expenditures:	\$600,789; \$24,652; \$9,922; \$17,700; \$6,315; \$148,632; \$35,077; \$614
Questioned Costs:	None

CRITERIA/SPECIFIC REQUIREMENT:

The Code of Federal Regulations (2 CFR §200.512(a)(1)) requires the data collection form and reporting package be submitted within 30 calendar days after the auditee receives the auditor's report or nine months after the end of the audit period (whichever is earlier).

Moreover, Office of the Management and Budget announced that it is waiving the 30-day deadline for 2022 submissions. Thus, audits will be considered on time if submitted within nine months after the fiscal period end date.

In addition, the Code (2 CFR §200.303 (a)) requires the Regional Office of Education No. 39 to establish and maintain effective internal control over the federal award to provide reasonable

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2023

FINDING 2023-008 – Untimely Submission of Data Collection Form and Related Reporting Package (Continued)

assurance the Regional Office of Education No. 39 is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure the data collection form and related reporting package are timely submitted.

Federal oversight agencies use the data collection form and related reporting package as a key tool in monitoring the accountability of federal awards.

CONDITION:

The Regional Office of Education No. 39 was required to submit its June 30, 2022, data collection form and related reporting package to the Federal Audit Clearinghouse by March 31, 2023; however, it was not submitted until January 3, 2024, resulting in a delay of 278 days.

EFFECT:

Failure to submit timely the required federal reports, impairs the ability of federal oversight agencies to perform such monitoring on a timely basis. Additionally, this resulted in noncompliance with federal requirements and could also result in the withholding of funding for other eligible projects or activities involving the Regional Office of Education No. 39.

CAUSE:

Management indicated that the Fiscal Year 2022 Audit packet was finalized late due to delays in preparing the packets for the prior years (2020 and 2021) and was only submitted in January 2024. This timeline issue stemmed from a lack of monitoring in previous years, resulting in audits falling behind.

RECOMMENDATION:

The Regional Office of Education No. 39 should establish and implement internal controls over timely submission of the data collection form and related reporting package.

MANAGEMENT’S RESPONSE:

The Regional Office of Education No. 39 agrees with the findings and is working with their contracted accounting firm to ensure that the office gets back on schedule with the yearly audit deadlines so that the Federal Audit Clearinghouse may be submitted on schedule as well.

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Findings and Questioned Costs
Section III – Federal Award Findings
For the Year Ended June 30, 2023

INSTANCES OF NONCOMPLIANCE:

- | | |
|----------------------|---|
| Finding No. 2023-002 | Controls over Grants Compliance (Finding details on pages 17 - 18) |
| Finding No. 2023-004 | Inadequate Record Keeping Over Equipment from Federal Funds
(Finding details on pages 21 - 22) |
| Finding No. 2023-005 | Controls over Allowable Costs and Costs Principles
(Finding details on pages 23 - 24) |
| Finding No. 2023-006 | Controls over Subrecipient Monitoring
(Finding details on pages 25 - 26) |
| Finding No. 2023-007 | Controls over Preparation of Schedule of Expenditures of Federal
Awards (Finding details on pages 27 - 28) |
| Finding No. 2023-008 | Untimely Submission of Data Collection Form and Related Reporting
Package (Finding details on pages 29 - 30) |

SIGNIFICANT DEFICIENCIES:

- | | |
|----------------------|---|
| Finding No. 2023-004 | Inadequate Record Keeping Over Equipment from Federal Funds
(Finding details on pages 21 - 22) |
| Finding No. 2023-005 | Controls over Allowable Costs and Costs Principles
(Finding details on pages 23 - 24) |
| Finding No. 2023-006 | Controls over Subrecipient Monitoring
(Finding details on pages 25 - 26) |
| Finding No. 2023-007 | Controls over Preparation of Schedule of Expenditures of Federal
Awards (Finding details on pages 27 - 28) |
| Finding No. 2023-008 | Untimely Submission of Data Collection Form and Related Reporting
Package (Finding details on pages 29 - 30) |

MATERIAL WEAKNESSES:

None.

Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2023

FINDING 2023-001 - Controls over Financial Statement Preparation (Repeat from Findings 22-001, 21-001, 20-001, 19-001 and 18-001)

CONDITION:

The Regional Office of Education No. 39 did not have sufficient internal controls over the financial reporting process. While the Regional Office of Education No. 39 did maintain records to indicate the balances of financial statement accounts, material audit adjustments and changes to the related disclosures were proposed in order to ensure those balances and disclosures were accurate and appropriate for the basis of accounting selected for financial statement presentation. Specifically, we noted the following adjustments:

- Non-capitalizable assets totaling \$31,512 were incorrectly recorded as capital assets.
- An incorrect depreciation policy was applied, resulting in an overstatement of depreciation expense by \$7,742.
- In the restatement related to the transition from the accrual basis to the modified cash basis of accounting, intergovernmental balances from the prior period were not eliminated, resulting in an understatement of \$11,787 in the general fund and an overstatement of \$11,787 in the fiduciary fund beginning balances.
- Intergovernmental balances were not eliminated, leading to an understatement of \$4,229 in the general fund and an overstatement of \$4,229 in fiduciary fund cash and cash equivalents.
- On-behalf payments revenues and expenditures related to the Regional Office of Education No. 39's share of THIS OPEB benefit was understated by \$322,632.
- Improper classification of revenue resulted in an unusual credit balance of \$17,700 in expenditures. The credit balance should have been recorded as transfers in, due to other funds covering the excess expenditures from a grant.
- Improper classification of expenditures resulted in an unusual credit balance of \$292,878 in expenditures. This credit balance represents reimbursements from other funds for salaries and benefits, purchased services, and supplies and materials, which should have been allocated to the appropriate expenditure accounts rather than solely to purchased services.

Additionally, the Regional Office of Education No. 39 failed to identify a lease contract that qualifies as a lease under GASB Statement No. 87, *Leases*, thus causing an omission of a disclosure considered necessary to achieve a fair presentation of Regional Office of Education No. 39's modified cash basis financial statements.

**Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2023**

FINDING 2023-001 - Controls over Financial Statement Preparation (Repeat from Findings 22-001, 21-001, 20-001, 19-001 and 18-001)

PLAN:

The Regional Office of Education No. 39 will implement controls over financial statements for both the internal Business Office Manager and the contracted accounting firm to prepare and review the financial statements to ensure that balances are reconciled and accurate for financial statement preparation.

ANTICIPATED DATE OF COMPLETION:

The anticipated date of completion is December 2024.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2023

FINDING 2023-002 - Controls over Grants Compliance (Repeat from Findings 22-002, 21-002, 20-002, and 19-002)

CONDITION:

The Regional Office of Education No. 39 did not submit or timely submit the required reports to the Illinois State Board of Education in compliance with the grant award agreement.

PLAN:

The Regional Office of Education No. 39 management will provide close oversight for the timely submission of grant expenditures and performance reports. Checklist, due dates, and reminders are shared from the Regional Superintendent to the Business Office Manager and Program Directors. Management will review the grant report submissions in Illinois Web Accessibility System for accuracy and completion before approving and submitting to the Illinois State Board of Education.

ANTICIPATED DATE OF COMPLETION:

Implemented in January 2024.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

**Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2023**

FINDING 2023-003 – Delay of Audit (Repeat from Findings 22-003, 21-003, 20-003, and 19-003)

CONDITION:

The Regional Office of Education No. 39 did not provide completed financial statements in auditable form by the August 31, 2023, deadline. The preliminary draft was provided to the auditors on June 4, 2024.

PLAN:

The new Regional Office of Education No. 39’s Business Office Manager will work closely with their contracted accounting firm to ensure that the office gets back on schedule with the yearly audit deadlines. The FY22 financial statements were provided on August 10, 2023 and audit completed in January of 2024. The financial statements were converted to modified cash basis for the FY23 financial statements and were provided on June 4, 2024. The FY24 financial statements are scheduled to be provided in January 2025 so that the office can get back on schedule for the FY25 audit deadline of August 31, 2025.

ANTICIPATED DATE OF COMPLETION:

The anticipated date of completion is January 2025.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2023

FINDING 2023-004 – Inadequate Record Keeping Over Equipment from Federal Funds

CONDITION:

The Regional Office of Education No. 39 asset details in the property records include only the description of the property, acquisition date, and cost of the property. The other minimum requirements specified by the Code are not included in the property records.

Moreover, the Regional Office of Education No. 39 was unable to properly account for the results of its physical inventory count and only performed partial reconciliation.

PLAN:

The Regional Office of Education No. 39 will combine the current inventory documents to provide a complete detailed accounting of all property and equipment which will provide both the required information for federal funds as well as a reconciliation to the capital outlay disclosures within the financial statements. Physical inventory will be taken each year with additions and deletions recorded and signed off on by management. These documents will be recorded and stored each year for review.

ANTICIPATED DATE OF COMPLETION:

The anticipated date of completion is January 2025.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

**Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2023**

**FINDING 2023-005 – Controls over Allowable Costs and Costs Principles (Repeat from
Finding 22-005)**

CONDITION:

The Regional Office of Education No. 39 did not ensure costs or expenditures were adequately documented, reviewed, and approved to ensure allowability under the federal award.

PLAN:

Although procedures were put into place in March 2023 to ensure that all expenditures were signed by the Program Directors, or Assistant/Regional Superintendent, the previous Business Office Manager and Accounts Payable employee were not consistent on ensuring that all receipts/invoices were reviewed if a purchase order was created and approved or if it was approved with prior requisition form. A new purchasing process will be implemented that will document all expenditures have been reviewed, approved, and ensured that they are allowable under the federal and state award. This process will be consistent across all purchases to ensure that all approvals and reviews are conducted and documented.

ANTICIPATED DATE OF COMPLETION:

Implemented in May 2024.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

**Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2023**

FINDING 2023-006 – Controls over Subrecipient Monitoring (Repeat from Finding 22-006)

CONDITION:

The Regional Office of Education No. 39 did not have adequate controls over subrecipient monitoring in compliance with the Code.

PLAN:

The Regional Office of Education No. 39 drafted subrecipient monitoring policies and procedures for FY24 after receiving the FY22 audit finding in December 2023. Policies and procedures will include required reporting, monitoring, and award notification for the subrecipients of the ARP - Social Emotional Learning grant.

ANTICIPATED DATE OF COMPLETION:

Implemented in April 2024.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

**Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2023**

FINDING 2023-007 – Controls over Preparation of Schedule of Expenditures of Federal Awards (Repeat from Finding 22-007)

CONDITION:

The Regional Office of Education No. 39 did not have sufficient internal controls over the preparation of the SEFA to ensure all federal expenditures during the fiscal year were reported and information in the SEFA was accurately reported.

PLAN:

The Regional Office of Education No. 39 will implement controls over financial statements for both the internal Business Office Manager and the contracted accounting firm to prepare and review the financial statements including the schedule of expenditures of federal awards, to ensure program titles, assistance listing numbers and other pertinent information is accurate for financial statement presentation.

ANTICIPATED DATE OF COMPLETION:

The anticipated date of completion is December 2024.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

**Macon and Piatt Counties Regional Office of Education No. 39
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2023**

FINDING 2023-008 – Untimely Submission of Data Collection Form and Related Reporting Package

CONDITION:

The Regional Office of Education No. 39 was required to submit its June 30, 2022, data collection form and related reporting package to the Federal Audit Clearinghouse by March 31, 2023; however, it was not submitted until January 3, 2024, resulting in a delay of 278 days.

PLAN:

The new Regional Office of Education No. 39's Business Office Manager will work closely with their contracted accounting firm to ensure that the office gets back on schedule with the yearly audit deadlines. Because the audit for FY22 was not completed until January 2024, the Federal Audit Clearinghouse could not be submitted until that time. The FY24 financial statements are scheduled to be provided in January 2025 so that the office can get back on schedule for the FY25 audit deadline of August 31, 2025 and therefore the March 31, 2026 Federal Audit Clearinghouse deadline.

ANTICIPATED DATE OF COMPLETION:

The anticipated date of completion is December 2025.

CONTACT PERSON:

Ms. Jill Reedy, Regional Superintendent

**Macon and Piatt Counties Regional Office of Education No. 39
Summary Schedule of Prior Findings Not Repeated
For the Year Ended June 30, 2023**

2022-004 Controls over Review of Journal Entries Not Repeated

During the current audit period, audit testing results indicated the Regional Office of Education No. 39 implemented corrective action and all journal entries tested were prepared and approved accordingly.

BASIC FINANCIAL STATEMENTS

Macon and Piatt Counties Regional Office of Education No. 39
Statement of Net Position - Modified Cash Basis
June 30, 2023
Exhibit A

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,915,267	\$ 15,418	\$ 1,930,685
Investments	140,380	-	140,380
Internal balances	116,945	(116,945)	-
Total current assets	<u>2,172,592</u>	<u>(101,527)</u>	<u>2,071,065</u>
Noncurrent assets:			
Capital assets, net	80,761	-	80,761
Total noncurrent assets	<u>80,761</u>	<u>-</u>	<u>80,761</u>
TOTAL ASSETS	<u>2,253,353</u>	<u>(101,527)</u>	<u>2,151,826</u>
NET POSITION			
Net investment in capital assets	80,761	-	80,761
Restricted for educational purposes	466,564	-	466,564
Unrestricted	1,706,028	(101,527)	1,604,501
TOTAL NET POSITION	<u>\$ 2,253,353</u>	<u>\$ (101,527)</u>	<u>\$ 2,151,826</u>

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

Macon and Piatt Counties Regional Office of Education No. 39
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2023
Exhibit B

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Program Revenues		Primary Government		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary government						
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 2,821,474	\$ -	\$ 2,359,242	\$ (462,232)	\$ -	\$ (462,232)
Purchased services	2,353,247	-	2,457,821	104,574	-	104,574
Supplies and materials	152,883	-	145,870	(7,013)	-	(7,013)
Other objects	123,823	-	132,924	9,101	-	9,101
Capital outlay	55,284	-	102,522	47,238	-	47,238
Depreciation	51,068	-	-	(51,068)	-	(51,068)
Intergovernmental:						
Payments to other governments	438,000	-	495,221	57,221	-	57,221
Administrative:						
On-behalf payments	698,784	-	-	(698,784)	-	(698,784)
Total governmental activities	6,694,563	-	5,693,600	(1,000,963)	-	(1,000,963)
Business-type activities:						
Professional development	38,192	74,335	-	-	36,143	36,143
Total business-type activities	38,192	74,335	-	-	36,143	36,143
Total primary government	\$ 6,732,755	\$ 74,335	\$ 5,693,600	(1,000,963)	36,143	(964,820)
General revenues:						
Local sources				1,292,251	-	1,292,251
On-behalf payments				698,784	-	698,784
Interest				50,578	-	50,578
Total general revenues				2,041,613	-	2,041,613
CHANGE IN NET POSITION				1,040,650	36,143	1,076,793
NET POSITION, BEGINNING OF YEAR AS RESTATED (SEE NOTE 15)				1,212,703	(137,670)	1,075,033
NET POSITION, END OF YEAR				\$ 2,253,353	\$ (101,527)	\$ 2,151,826

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

Macon and Piatt Counties Regional Office of Education No. 39
Governmental Funds
Balance Sheet - Modified Cash Basis
June 30, 2023
Exhibit C

	General Fund	Education Fund	Other Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,448,703	\$ 334,096	\$ 132,468	\$ -	\$ 1,915,267
Investments	140,380	-	-	-	140,380
Due from other funds	631,170	-	-	(514,225)	116,945
TOTAL ASSETS	2,220,253	334,096	132,468	(514,225)	2,172,592
LIABILITIES					
Due to other funds	-	511,078	3,147	(514,225)	-
FUND BALANCES (DEFICITS)					
Restricted	-	334,096	132,468	-	466,564
Assigned	8,334	-	-	-	8,334
Unassigned	2,211,919	(511,078)	(3,147)	-	1,697,694
TOTAL FUND BALANCES (DEFICITS)	2,220,253	(176,982)	129,321	-	2,172,592
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 2,220,253	\$ 334,096	\$ 132,468	\$ (514,225)	\$ 2,172,592

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

Macon and Piatt Counties Regional Office of Education No. 39
Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet - Modified Cash Basis
to the Statement of Net Position - Modified Cash Basis
June 30, 2023
Exhibit D

Total fund balances - governmental funds	\$ 2,172,592
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net	<u>80,761</u>
Net position of governmental activities	<u><u>\$ 2,253,353</u></u>

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

Macon and Piatt Counties Regional Office of Education No. 39
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis
For the Year Ended June 30, 2023
Exhibit E

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES				
Local sources	\$ 1,196,517	\$ -	\$ 95,734	\$ 1,292,251
State sources	1,370,117	2,715,613	1,412	4,087,142
Federal sources	-	1,606,458	-	1,606,458
On-behalf payments	245,587	-	-	245,587
Interest	50,578	-	-	50,578
Total revenues	<u>2,862,799</u>	<u>4,322,071</u>	<u>97,146</u>	<u>7,282,016</u>
EXPENDITURES				
Instructional services:				
Salaries and benefits	1,691,829	955,062	59,664	2,706,555
Purchased services	216,204	2,092,955	44,088	2,353,247
Supplies and materials	46,320	102,671	3,892	152,883
Other objects	3,833	117,565	2,425	123,823
Pension expense	71,996	40,159	1,832	113,987
OPEB expense	932	-	-	932
On-behalf payments	245,587	-	-	245,587
Intergovernmental:				
Payments to other governments	-	438,000	-	438,000
Capital outlay	45,989	56,533	-	102,522
Total expenditures	<u>2,322,690</u>	<u>3,802,945</u>	<u>111,901</u>	<u>6,237,536</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>540,109</u>	<u>519,126</u>	<u>(14,755)</u>	<u>1,044,480</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	17,700	-	-
Transfers out	(17,700)	-	-	-
Total other financing sources (uses)	<u>(17,700)</u>	<u>17,700</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	522,409	536,826	(14,755)	1,044,480
FUND BALANCES (DEFICITS), BEGINNING OF YEAR AS RESTATED (SEE NOTE 15)				
	<u>1,697,844</u>	<u>(713,808)</u>	<u>144,076</u>	<u>1,128,112</u>
FUND BALANCES (DEFICITS), END OF YEAR				
	<u>\$ 2,220,253</u>	<u>\$ (176,982)</u>	<u>\$ 129,321</u>	<u>\$ 2,172,592</u>

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

Macon and Piatt Counties Regional Office of Education No. 39
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Modified Cash Basis to the Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2023
Exhibit F

Net change in fund balances		\$ 1,044,480
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense and amortization expense.</p>		
Capital outlay	\$ 47,238	
Depreciation expense	(51,068)	(3,830)
Change in net position of governmental activities		\$ 1,040,650

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

Macon and Piatt Counties Regional Office of Education No. 39
Proprietary Funds
Statement of Net Position - Modified Cash Basis
June 30, 2023
Exhibit G

	Business-type Activities			
	Nonmajor Enterprise Fund			
	Illinois Empower	Workshop Reimbursement	Apex Learning	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ 15,418	\$ -	\$ 15,418
TOTAL ASSETS	<u>-</u>	<u>15,418</u>	<u>-</u>	<u>15,418</u>
LIABILITIES				
Current liabilities:				
Due to other funds	90,102	6,268	20,575	116,945
TOTAL LIABILITIES	<u>90,102</u>	<u>6,268</u>	<u>20,575</u>	<u>116,945</u>
NET POSITION				
Net investment in capital assets	-	-	-	-
Unrestricted	(90,102)	9,150	(20,575)	(101,527)
TOTAL NET POSITION	<u>\$ (90,102)</u>	<u>\$ 9,150</u>	<u>\$ (20,575)</u>	<u>\$ (101,527)</u>

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

Macon and Piatt Counties Regional Office of Education No. 39
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position - Modified Cash Basis
For the Year Ended June 30, 2023
Exhibit H

	Business-Type Activities			Total
	Nonmajor Enterprise Fund			
	Illinois Empower	Workshop Reimbursement	Apex Learning	
OPERATING RECEIPTS				
Charges for services	\$ 6,226	\$ 21,934	\$ 46,175	\$ 74,335
OPERATING DISBURSEMENTS				
Purchased services	1,250	7,624	25,000	33,874
Supplies and materials	-	3,907	-	3,907
Depreciation expense	-	411	-	411
Total operating disbursements	<u>1,250</u>	<u>11,942</u>	<u>25,000</u>	<u>38,192</u>
NET CHANGE IN NET POSITION	4,976	9,992	21,175	36,143
NET POSITION, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 15)	<u>(95,078)</u>	<u>(842)</u>	<u>(41,750)</u>	<u>(137,670)</u>
NET POSITION, END OF YEAR	<u>\$ (90,102)</u>	<u>\$ 9,150</u>	<u>\$ (20,575)</u>	<u>\$ (101,527)</u>

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

Macon and Piatt Counties Regional Office of Education No. 39
Proprietary Funds
Statement of Cash Flows - Modified Cash Basis
For the Year Ended June 30, 2023
Exhibit I

	Business-Type Activities			
	Nonmajor Enterprise Fund			
	Illinois Empower	Workshop Reimbursement	Apex Learning	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 6,226	\$ 21,934	\$ 46,175	\$ 74,335
Payments to suppliers and providers of goods and services	(1,250)	(11,531)	(25,000)	(37,781)
Net cash provided by operating activities	4,976	10,403	21,175	36,554
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Receipts from (payments to) interfund borrowings	(4,976)	3,228	(21,175)	(22,923)
INCREASE IN CASH AND CASH EQUIVALENTS	-	13,631	-	13,631
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	1,787	-	1,787
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ -	\$ 15,418	\$ -	\$ 15,418
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 4,976	\$ 9,992	\$ 21,175	\$ 36,143
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	-	411	-	411
Net cash provided by operating activities	\$ 4,976	\$ 10,403	\$ 21,175	\$ 36,554

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

Macon and Piatt Counties Regional Office of Education No. 39
Fiduciary Funds
Statement of Fiduciary Net Position - Modified Cash Basis
June 30, 2023
Exhibit J

	<u>Custodial Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 765,877
NET POSITION	
Restricted for other individuals and governments	\$ 765,877

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

Macon and Piatt Counties Regional Office of Education No. 39
Fiduciary Funds
Statement of Changes in Fiduciary Net Position - Modified Cash Basis
June 30, 2023
Exhibit K

	Custodial Funds
ADDITIONS	
Sales tax collections for other governments	\$ 13,720,550
Other revenue	3,650
Education collections for local governments	2,212,557
Total additions	15,936,757
DEDUCTIONS	
Payments of sales tax to other governments	13,720,550
Administrative expense	226,973
Education distributions to local governments	1,685,161
Total deductions	15,632,684
NET INCREASE IN FIDUCIARY NET POSITION	304,073
NET POSITION, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 15)	461,804
NET POSITION, END OF YEAR	\$ 765,877

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the basic financial statements of the Regional Office of Education No. 39 have been prepared in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

As more fully disclosed in Notes 1 and 15, as of July 1, 2022, the Regional Office of Education No. 39 changed its basis of accounting to the modified cash basis special purpose framework from generally accepted accounting principles as applicable to governmental entities.

The following is a summary of the significant accounting policies.

A. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through December 13, 2024, the date on which the financial statements were available to be issued.

B. REPORTING ENTITY

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

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

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

Proprietary fund financial statements include a Statement of Net Position - 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.

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

The government-wide statements report using the economic resources measurement focus, while the governmental fund financial statements report using the current financial resources measurement focus. Since the governmental fund financial statements are presented on a different measurement focus than the government-wide statements (due mainly to inclusion of capital assets activity in the government-wide presentation) a reconciliation is presented, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

Basis of accounting refers to when revenues received and expenses or expenditures disbursed are recognized in the accounts and how they are reported on the financial statements.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Regional Office of Education No. 39 maintains its accounting records for all funds on the modified cash basis of accounting. Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions. Their revenues are recognized when they are received, and expenses or expenditures are recognized when paid. Generally accepted accounting principles require the recognition of revenue when it becomes “measurable” and “available” as net current assets and, generally, expenses or expenditures when the related fund liability is incurred.

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

It is the Regional Office of Education No. 39’s policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances, committed fund balances are used first, then assigned fund balances, then unassigned, if any.

E. FUND ACCOUNTING

The Regional Office of Education No. 39 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education No. 39 uses governmental, proprietary, and fiduciary funds.

F. GOVERNMENTAL FUNDS

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

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Community Foundation - This fund accounts for activities related to proceeds received from the Community Foundation of Macon County.

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

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

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

Craig Milligan Memorial - This fund accounts for activities related to a memorial established to provide financial assistance to students.

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

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

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

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

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

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

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Community Foundation - Homeless - This fund accounts for the activities related to a grant from the Community Foundation of Macon County.

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

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

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

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

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Elementary and Secondary School Emergency Relief Fund (ESSER) Digital Equity - This program was created with proceeds of a grant to help close the digital divide and enable digital-age teaching and learning.

American Rescue Plan (ARP) Emergency Relief Homeless - This program accounts for the proceeds of a grant from ISBE used for contracts and supplies for Poverty Simulation and outreach with community-based organizations to identify homeless youth.

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

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Community Partnership - This program will address the post-pandemic gaps in opportunity and unfinished teaching/learning that school districts in Illinois are facing. More specifically, the grant aims to decrease the gaps in meeting students' social, emotional, behavioral, and mental health needs.

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

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

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

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

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. PROPRIETARY FUND TYPES

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

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

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

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

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

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

H. FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the Regional Office of Education No. 39 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

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

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Funds received by the Regional Office of Education No. 39 for the fiduciary funds accrue interest for the period of time between the receipt of funds and clearance of transfers to recipient. Fiduciary fund interest earned and related charges are recognized as revenue and expenditures in the General Fund.

I. DEPOSITS AND INVESTMENTS

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

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

J. INTERFUND RECEIVABLES AND PAYABLES

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. CAPITAL ASSETS

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

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

Capital assets are depreciated using the straight-line method over the estimated useful life of 5 years.

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

L. COMPENSATED ABSENCES

After one year of employment, noncertified and certified employees who have a 261-day contract can earn up to 20 vacation days per year, prorated based on the number of days worked. Employees with less than full-year contracts do not earn vacation days. Unused vacation time is paid on termination of employment. In accordance with the modified cash basis of accounting, no liability has been recorded.

Employees who have at least a 182-day contract receive two personal days per year. Unused personal days are allowed to accrue as sick leave. Employees earn up to 15 sick days per year, depending on the length of their annual contract, and the unused portion accumulates indefinitely. Employee sick leave is recorded when paid. Upon retirement, unused sick leave may be used as service credits toward the employee's retirement fund. Upon termination, employees do not receive any accumulated sick leave pay.

M. EQUITY CLASSIFICATIONS

Governmental Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is the difference between assets and liabilities in a governmental fund. The following types of fund balances may be presented on the Governmental Funds Balance

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sheet - Modified Cash Basis, the General Fund and Education Fund Combining Schedules of Accounts - Modified Cash Basis, and the Nonmajor Special Revenue Funds Combining Balance Sheet - Modified Cash Basis:

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

Restricted Fund Balance - The portion of a governmental fund's fund balance that is subject to external enforceable legal restrictions. Truants/Alternative Optional Education, ROE/ISC Operations, Regional Safe Schools, Early Childhood Block Grant, and Not on Tobacco's fund balances are restricted by grant agreements or contracts. The following funds are restricted by Illinois Statute: Institute, GED, and Bus Permit.

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

Assigned Fund Balance - The portion of a governmental fund's fund balance to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts comprise assigned fund balance: Junior Achievement, Student Council, Alternative Education Intervention, Futures Foundation, and Community Foundation - Homeless.

Unassigned Fund Balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following accounts comprise unassigned fund balance: General, Community Foundation, Business Office, Pop Fund, Craig Milligan Memorial, ADA State Aid, St. Mary's Hospital School, Recycling and Energy, Teachers' Exchange, General State Aid, Baby Talk, Spelling Bee, School Improvement, Start Early - Training and Technical, Homeless Children Youth Program, EANS ESSER, Social Emotional Learning, and Skills SED.

Government-wide and Proprietary Fund Statements

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

Net Investment in Capital Assets - Consists of capital assets and right-of-use assets, net of accumulated depreciation and amortization, reduced by

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

N. NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2023, the Regional Office of Education No. 39 implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs) and Statement No. 99, *Omnibus 2022*. The requirements of Statement No. 96 improved financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance resulted in greater consistency in practice. Establishing the capitalization criteria for implementation costs also reduced diversity and improved comparability in financial reporting by governments. The requirements of Statement 99 enhanced comparability in the application of accounting and financial reporting requirements and improved the consistency of authoritative literature. Neither of these statements had any effect on the Regional Office of Education No. 39's financial statements.

NOTE 2 BUDGETS AND BUDGETARY ACCOUNTING

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

Budgets relating to programs funded by grants from ISBE are prepared and submitted to the granting agency as part of the grant awards process. The granting agency must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgetary Comparison Schedules have been presented for the following grants: Truants Alternative/Optional Education, ROE/ISC Operations, Start Early - Training and Technical, Regional Safe Schools, Early Childhood Block Grant, Homeless Children Youth Program, Regional Safe School Cooperative Education Program, ESSER Digital Equity, ARP Homeless, ESSER II, ESSER III, EANS ESSER, Social Emotional Learning, and Community Partnership.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 3 USE OF ESTIMATES

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

NOTE 4 DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2023, the carrying amount of the Regional Office of Education No. 39's governmental activities, business-type activities, and fiduciary fund's deposits were \$1,915,267, \$15,418, and \$765,877, respectively. The bank balances totaled \$2,756,711, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education No. 39's name, and were, therefore, not exposed to custodial credit risk.

Investments

At June 30, 2023, the carrying amount of the Regional Office of Education No. 39's deposits in the Illinois Funds for the governmental activities was \$1,012,563. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 39's governmental activities.

At June 30, 2023, the Regional Office of Education No. 39 had an investment in common stock with a fair value of \$140,380. The Regional Office of Education No. 39 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data; Level 3 are unobservable inputs that reflect management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The investments held in common stock are valued using level 1 inputs.

Investments are classified as available-for-sale securities and reported at fair value, with unrealized gains and losses included in investment income. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. The net appreciation in fair value of investments for the year ended June 30, 2023 totaled \$15,752.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

At June 30, 2023, the Illinois Funds had earned a Fitch' highest investment grade of AAmmf for a government-managed money market fund. The pool is audited annually by an outside, independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

Interest Rate Risk

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

Concentration of Credit Risk

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

NOTE 5 RISK MANAGEMENT - CLAIMS AND JUDGMENTS

The Regional Office of Education No. 39 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education No. 39 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

NOTE 6 CONTINGENCIES

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	June 30, 2022	Increases	Decreases	June 30, 2023
Governmental activities:				
Capital assets being depreciated:				
Leasehold improvements	\$ 45,000	\$ -	\$ -	\$ 45,000
Equipment and furniture	<u>752,361</u>	<u>47,238</u>	<u>-</u>	<u>799,599</u>
Total capital assets	<u>797,361</u>	<u>47,238</u>	<u>-</u>	<u>844,599</u>
Less accumulated depreciation for:				
Leasehold improvements	(45,000)	-	-	(45,000)
Equipment and furniture	<u>(667,770)</u>	<u>(51,068)</u>	<u>-</u>	<u>(718,838)</u>
Total accumulated depreciation	<u>(712,770)</u>	<u>(51,068)</u>	<u>-</u>	<u>(763,838)</u>
Total capital assets, net	<u>\$ 84,591</u>	<u>\$ (3,830)</u>	<u>\$ -</u>	<u>\$ 80,761</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 15,438	\$ -	\$ -	\$ 15,438
Less accumulated depreciation for:				
Equipment	<u>(15,027)</u>	<u>(411)</u>	<u>-</u>	<u>(15,438)</u>
Business-type activities capital assets, net	<u>\$ 411</u>	<u>\$ (411)</u>	<u>\$ -</u>	<u>\$ -</u>

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

Governmental activities:	
Instructional services	<u>\$ 51,068</u>
Business-type:	
Professional development	<u>\$ 411</u>

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 8 RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

Plan description

The Regional Office of Education No. 39 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2022>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

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

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also 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. 39.

On behalf contributions to TRS - The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 39. For the year ended June 30, 2023, State of Illinois contributions recognized by the Regional Office of Education No. 39 were based on the State's proportionate share of the pension expense associated with the Regional Office of Education No. 39, and the Regional Office of Education No. 39 recognized revenue and expenditures of \$615,307 in pension contributions from the State of Illinois.

2.2 formula contributions - Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2023, were \$6,380.

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

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, 2023, the Regional Office of Education No. 39 pension contribution was 10.49 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2023, salaries totaling \$99,960 were paid from federal and special trust funds that required employer contributions of \$10,486.

Employer retirement cost contributions - Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 39 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

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, 2023, the Regional Office of Education No. 39 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent, or for sick leave days granted in excess of the normal annual allotment.

B. Illinois Municipal Retirement Fund

IMRF Plan Description

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

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2022, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	51
Inactive plan members entitled to but not yet receiving benefits	41
Active plan members	23
Total	115

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 8 RETIREMENT FUND COMMITMENTS (Continued)

Contributions

As set by statute, the Regional Office of Education No. 39's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 39's annual contribution rate for calendar year 2022 was 9.78%. For the fiscal year 2023, the Regional Office of Education No. 39 contributed \$98,220 to the plan. The Regional Office of Education No. 39 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Because of the use of modified cash basis of accounting framework in the presentation of these financial statements, the Regional Office of Education No. 39's net pension liability is not reported in the financial statements as a liability. In accordance with the modified cash basis of accounting, pension expenditures are only reported when contributions are paid by the Regional Office of Education No. 39 to the plan.

C. Social Security

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

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

A. Teachers' Health Insurance Security Fund

THIS Plan Description

The Regional Office of Education No. 39 participates in the Teachers' Health Insurance Security (THIS) Fund. The THIS 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 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

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

may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers' Retirement System (TRS).

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit 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 the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

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

On-behalf Contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 39. For the year ended June 30, 2023, State of Illinois contributions recognized by the Regional Office of Education No. 39 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 39, and recognized revenues and expenditures of \$(162,110) in OPEB contributions from the State of Illinois.

Employer Contributions to the THIS Fund

The Regional Office of Education No. 39 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2023, and 0.67 percent and 0.89 percent during the years ended June 30, 2022 and 2021, respectively. For the year ended June 30, 2023 the Regional Office of Education No. 39 paid \$7,370 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2022 and 2021, the Regional Office of Education No. 39 paid \$7,384 and \$8,764 to the THIS Fund, respectively, which was 100 percent of the required contribution.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (Continued)

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”.

B. Health Insurance

Plan Description

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

Eligibility Provisions

Full- Time Employees - IMRF

Tier I IMRF Full-Time employees:

- Age 55 with at least 8 years of service (reduced pension)
- Age 55 with at least 30 years of service (reduced pension)
- Age 55 with at least 35 years of service (full pension)
- Age 60 with at least 8 years of service (full pension)

Tier II IMRF Full-Time employees:

- Age 62 with at least 10 years of service (reduced pension)
- Age 62 with at least 30 years of service (reduced pension)
- Age 62 with at least 35 years of service (full pension)
- Age 67 with at least 10 years of service (full pension)

Full-Time Employees - TRS

Tier I TRS Full-Time employees

- Age 55 with at least 20 years of service (reduced pension)
- Age 55 with at least 35 years of service (full pension)
- Age 60 with at least 10 years of service (full pension)
- Age 62 with at least 5 years of service (full pension)

Tier II TRS Full-Time employees:

- Age 62 with at least 10 years of service (reduced pension)
- Age 67 with at least 10 years of service (full pension)

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

Benefits Provided

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

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

Covered Employees

As of June 30, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	-
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	23
Total	23

Funding Policy and Contributions

There is no funding policy that exists for post-retirement plan at this time as the OPEB are currently unfunded obligation.

NOTE 10 BOND

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 11 INTERFUND ACTIVITIES

At June 30, 2023, interfund receivables and payables were as follows:

Fund	Due from Other Funds	Due to Other Funds
General	\$ 631,170	\$ -
Education	-	511,078
Special Revenue	-	3,147
Nonmajor Enterprise	-	116,945
Total	\$ 631,170	\$ 631,170

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

At June 30, 2023, interfund transfers in/out to other fund balances were as follows:

Fund	Transfers in	Transfers out
General	\$ -	\$ 17,700
Education	17,700	-
Total	\$ 17,700	\$ 17,700

Transfer was made to close the ESSER III Fund.

NOTE 12 ON-BEHALF PAYMENTS

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

State of Illinois:	
Regional Superintendent - salary	\$ 127,908
Regional Superintendent - benefits (includes State paid insurance)	40,391
Assistant Regional Superintendent - salary	66,831
Assistant Regional Superintendent - benefits (includes State paid insurance)	10,457
	\$ 245,587

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 12 ON-BEHALF PAYMENTS (Continued)

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

The Regional Office of Education No. 39 also recorded \$453,197 in revenues and expenses as on-behalf payments from ISBE for the Regional Office of Education No. 39's share of the State's Teachers' Retirement System (TRS) pension expense and Teacher's Health Insurance Security Fund (THIS) OPEB benefit in the Statement of Activities. In addition, the Regional Office of Education No. 39 has not included any on-behalf payments related to the State's TRS pension expense and THIS OPEB expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$	245,587
Regional Office of Education No. 39's share of TRS pension expense		615,307
Regional Office of Education No. 39's share of THIS OPEB benefit		(162,110)
Total	\$	698,784

NOTE 13 LEASES

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

The Regional Office of Education No. 39 is committed through July 31, 2034 under a lease agreement for two units located at 3343 Rupp Parkway, Decatur, Illinois. The first unit runs from September 1, 2023 through July 31, 2034, which calls for an annual rent for an amount of \$101,019, payable in equal monthly installments of \$8,418. On the other hand, the second unit has an annual rate of \$64,440, payable in equal monthly installments of \$5,370. The second unit will run from August 1, 2024 through July 31, 2034. In addition to paying the monthly rental, taxes and insurances for second unit, the Regional Office of Education No. 39 will pay the additional sum of \$1,500 per month for the first ten years of the rental period, beginning on August 1, 2024. Furthermore, the monthly rental of two units shall increase to two percent from the preceding twelve (12) month period.

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

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 13 LEASES (Continued)

The Regional Office of Education No. 39 was committed through August 31, 2024 under a lease agreement for the copier located at the administrative office. The lease calls for monthly rental payments of \$396.

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

Total facility lease expense for the year ended June 30, 2023 was \$49,018, while equipment lease expense was \$14,653. The following is a schedule of future minimum lease payments required under the above leases:

<u>Year Ending June 30</u>	<u>Amount</u>
2024	\$ 109,316
2025	193,861
2026	188,378
2027	191,786
2028	195,261
Thereafter	<u>1,266,727</u>
	<u>\$ 2,145,329</u>

NOTE 14 DEFICIT FUND BALANCES

The following individual funds had negative fund balances or net position as of June 30, 2023:

Baby Talk	\$ 211,679
Spelling Bee	8,539
Start Early - Training and Technical	215,418
Homeless Children Youth Program	6,215
EANS ESSER	162,926
Social Emotional Learning	126,519
Skills SED	3,147
Illinois Empower	90,102
Apex Learning	20,575

The Regional Office of Education No. 39 intends to reduce these deficits by collecting revenues and additional fees and from transfers from other funds.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 15 CHANGE IN ACCOUNTING PRINCIPLES

As of July 1, 2022, the Regional Office of Education No. 39 adopted the modified cash basis of accounting. The financial statements had previously been prepared using the generally accepted accounting principles, using full accrual accounting for the government-wide, proprietary fund, and fiduciary fund statements and the modified accrual basis of accounting for the governmental fund type financial statements. As a result of the change in accounting principle, the beginning of year assets, liabilities, deferred inflows, and deferred outflows were reversed through the opening balance of net position and fund balances as follows:

Governmental Activities Net Position:

Net Position - beginning	\$	150,900
Effect of reversing the following:		
Accounts receivable		(312,542)
Due from other governments		(1,617,145)
Prepaid expense		(25,107)
Right-of-use asset		(75,618)
Net pension asset		(1,166,241)
Deferred outflows related to pensions		(102,868)
Deferred outflows related to OPEB		(127,013)
Accounts payable		221,479
Accrued payroll & benefits		1,512
Accrued interest payable		185
Due to other governments		464,870
Unearned revenue		494
Lease payable		76,389
OPEB liability		1,019,539
Net pension liability		85,604
Deferred inflows related to OPEB		1,077,054
Deferred inflows related to pensions		1,541,211
Net Position - beginning, restated	\$	1,212,703

Business-Type Activities Net Position:

Net Position - beginning	\$	(103,207)
Effect of reversing the following:		
Due from other governments		(35,714)
Accounts payable		1,251
Net Position - beginning, restated	\$	(137,670)

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Financial Statements
June 30, 2023

NOTE 15 CHANGE IN ACCOUNTING PRINCIPLES (Continued)

The effect of the change on governmental funds are as follows:

	General Fund	Education Fund	Nonmajor Funds	Total Governmental Funds
Fund balance - beginning	\$ 2,074,105	\$ (1,093,611)	\$ 142,299	\$ 1,122,793
Effect of reversing the following:				
Accounts receivable	(312,542)	-	-	(312,542)
Prepaid expenses	(12,000)	(13,107)	-	(25,107)
Due from other governments	(224,615)	(1,392,530)	-	(1,617,145)
Accounts payable	6,709	212,993	1,777	221,479
Accrued payroll and benefits	1,512	-	-	1,512
Due to other governments	-	464,870	-	464,870
Unearned revenue	494	-	-	494
Unavailable revenue	164,181	1,107,577	-	1,271,758
Fund Balance - beginning, restated	<u>\$ 1,697,844</u>	<u>\$ (713,808)</u>	<u>\$ 144,076</u>	<u>\$ 1,128,112</u>

The effect of the change on proprietary funds are as follows:

	Nonmajor Funds	Total Proprietary Funds
Net Position - beginning	\$ (103,207)	\$ (103,207)
Effect of reversing the following:		
Due from other governments	(35,714)	(35,714)
Accounts payable	1,251	1,251
Net Position - beginning, restated	<u>\$ (137,670)</u>	<u>\$ (137,670)</u>

The effect of the change on fiduciary funds are as follows:

	Custodial Funds	Total Fiduciary Funds
Net Position - beginning	\$ 683,444	\$ 683,444
Effect of reversing the following:		
Due from other governments	(3,850,366)	(3,850,366)
Accounts payable	79,057	79,057
Due to other governments	3,549,669	3,549,669
Net Position - beginning, restated	<u>\$ 461,804</u>	<u>\$ 461,804</u>

SUPPLEMENTARY INFORMATION

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Accounts - Modified Cash Basis
June 30, 2023
Schedule 1

	<u>General</u>	<u>Community Foundation</u>	<u>Business Office</u>	<u>Pop Fund</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 30,448	\$ 20,000	\$ 366,834	\$ 2,610
Investments	-	-	140,380	-
Due from other funds	-	-	220,218	-
TOTAL ASSETS	<u>30,448</u>	<u>20,000</u>	<u>727,432</u>	<u>2,610</u>
LIABILITIES				
Current liabilities:				
Due to other funds	-	-	-	-
FUND BALANCES (DEFICITS)				
Assigned	-	-	-	-
Unassigned	30,448	20,000	727,432	2,610
TOTAL FUND BALANCES (DEFICITS)	<u>30,448</u>	<u>20,000</u>	<u>727,432</u>	<u>2,610</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 30,448</u>	<u>\$ 20,000</u>	<u>\$ 727,432</u>	<u>\$ 2,610</u>

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Accounts - Modified Cash Basis
June 30, 2023
Schedule 1

	<u>Junior Achievement</u>	<u>Craig Milligan Memorial</u>	<u>ADA State Aid</u>	<u>St. Mary's Hospital School</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,483	\$ 3,028	\$ 165,483	\$ 170,043
Investments	-	-	-	-
Due from other funds	-	-	631,170	-
TOTAL ASSETS	<u>3,483</u>	<u>3,028</u>	<u>796,653</u>	<u>170,043</u>
LIABILITIES				
Current liabilities:				
Due to other funds	-	-	-	-
FUND BALANCES (DEFICITS)				
Assigned	3,483	-	-	-
Unassigned	-	3,028	796,653	170,043
TOTAL FUND BALANCES (DEFICITS)	<u>3,483</u>	<u>3,028</u>	<u>796,653</u>	<u>170,043</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 3,483</u>	<u>\$ 3,028</u>	<u>\$ 796,653</u>	<u>\$ 170,043</u>

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Accounts - Modified Cash Basis
June 30, 2023
Schedule 1

	Student Council	Recycling and Energy	Teachers' Exchange	Alternative Education Intervention
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 119	\$ 494	\$ 16,468	\$ 1,157
Investments	-	-	-	-
Due from other funds	-	-	-	-
TOTAL ASSETS	119	494	16,468	1,157
LIABILITIES				
Current liabilities:				
Due to other funds	-	-	-	-
FUND BALANCES (DEFICITS)				
Assigned	119	-	-	1,157
Unassigned	-	494	16,468	-
TOTAL FUND BALANCES (DEFICITS)	119	494	16,468	1,157
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 119	\$ 494	\$ 16,468	\$ 1,157

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Accounts - Modified Cash Basis
June 30, 2023
Schedule 1

	<u>General State Aid</u>	<u>Baby Talk</u>	<u>Futures Foundation</u>	<u>Spelling Bee</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 664,943	\$ -	\$ 1,075	\$ -
Investments	-	-	-	-
Due from other funds	-	-	-	-
TOTAL ASSETS	<u>664,943</u>	<u>-</u>	<u>1,075</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Due to other funds	-	211,679	-	8,539
FUND BALANCES (DEFICITS)				
Assigned	-	-	1,075	-
Unassigned	664,943	(211,679)	-	(8,539)
TOTAL FUND BALANCES (DEFICITS)	<u>664,943</u>	<u>(211,679)</u>	<u>1,075</u>	<u>(8,539)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 664,943</u>	<u>\$ -</u>	<u>\$ 1,075</u>	<u>\$ -</u>

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
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June 30, 2023
Schedule 1

	School Improvement	Community Foundation - Homeless	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 18	\$ 2,500	\$ -	\$ 1,448,703
Investments	-	-	-	140,380
Due from other funds	-	-	(220,218)	631,170
TOTAL ASSETS	18	2,500	(220,218)	2,220,253
LIABILITIES				
Current liabilities:				
Due to other funds	-	-	(220,218)	-
FUND BALANCES (DEFICITS)				
Assigned	-	2,500	-	8,334
Unassigned	18	-	-	2,211,919
TOTAL FUND BALANCES (DEFICITS)	18	2,500	-	2,220,253
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 18	\$ 2,500	\$ (220,218)	\$ 2,220,253

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis
For the Year Ended June 30, 2023
Schedule 2

	<u>General</u>	<u>Community Foundation</u>	<u>Business Office</u>	<u>Pop Fund</u>
REVENUES:				
Local sources	\$ -	\$ 20,000	\$ 379,785	\$ 350
State sources	-	-	-	-
On-behalf payments	245,587	-	-	-
Interest	21,389	-	29,189	-
Total revenues	<u>266,976</u>	<u>20,000</u>	<u>408,974</u>	<u>350</u>
EXPENDITURES:				
Instructional services:				
Salaries and benefits	-	-	144,081	-
Purchased services	-	-	116,396	-
Supplies and materials	-	-	10,230	-
Pension expense	-	-	19,102	-
Other objects	-	-	-	-
OPEB expense	-	-	-	-
On-behalf payments	245,587	-	-	-
Capital outlay	-	-	38,926	-
Total expenditures	<u>245,587</u>	<u>-</u>	<u>328,735</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21,389	20,000	80,239	350
OTHER FINANCING USES:				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCES	21,389	20,000	80,239	350
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)	<u>9,059</u>	<u>-</u>	<u>647,193</u>	<u>2,260</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 30,448</u>	<u>\$ 20,000</u>	<u>\$ 727,432</u>	<u>\$ 2,610</u>

Macon and Piatt Counties Regional Office of Education No. 39
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Schedule 2

	Junior Achievement	Craig Milligan Memorial	ADA State Aid	St. Mary's Hospital School
REVENUES:				
Local sources	\$ -	\$ 3,028	\$ 661	\$ 59,760
State sources	-	-	939,079	-
On-behalf payments	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>3,028</u>	<u>939,740</u>	<u>59,760</u>
EXPENDITURES:				
Instructional services:				
Salaries and benefits	-	-	929,815	1,131
Purchased services	-	-	64,193	679
Supplies and materials	-	-	13,269	22
Pension expense	-	-	31,602	14
Other objects	-	-	-	-
OPEB expense	-	-	-	-
On-behalf payments	-	-	-	-
Capital outlay	-	-	6,000	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,044,879</u>	<u>1,846</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	3,028	(105,139)	57,914
OTHER FINANCING USES:				
Transfers out	-	-	(15,900)	-
NET CHANGE IN FUND BALANCE	-	3,028	(121,039)	57,914
FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)	<u>3,483</u>	<u>-</u>	<u>917,692</u>	<u>112,129</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 3,483</u>	<u>\$ 3,028</u>	<u>\$ 796,653</u>	<u>\$ 170,043</u>

Macon and Piatt Counties Regional Office of Education No. 39
 General Fund Accounts
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis
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 Schedule 2

	Student Council	Recycling and Energy	Teachers' Exchange	Alternative Education Intervention
REVENUES:				
Local sources	\$ -	\$ -	\$ 2,620	\$ -
State sources	-	-	-	-
On-behalf payments	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>2,620</u>	<u>-</u>
EXPENDITURES:				
Instructional services:				
Salaries and benefits	-	-	-	-
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Pension expense	-	-	-	-
Other objects	-	-	-	-
OPEB expense	-	-	-	-
On-behalf payments	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	2,620	-
OTHER FINANCING USES:				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	2,620	-
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)	<u>119</u>	<u>494</u>	<u>13,848</u>	<u>1,157</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 119</u>	<u>\$ 494</u>	<u>\$ 16,468</u>	<u>\$ 1,157</u>

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Schedule 2

	General State Aid	Baby Talk	Futures Foundation	Spelling Bee
REVENUES:				
Local sources	\$ 319,000	\$ 407,913	\$ -	\$ 900
State sources	431,038	-	-	-
On-behalf payments	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>750,038</u>	<u>407,913</u>	<u>-</u>	<u>900</u>
EXPENDITURES:				
Instructional services:				
Salaries and benefits	319,802	297,000	-	-
Purchased services	31,471	2,486	-	979
Supplies and materials	17,895	-	-	4,904
Pension expense	8,426	12,852	-	-
Other objects	-	3,833	-	-
OPEB expense	-	932	-	-
On-behalf payments	-	-	-	-
Capital outlay	1,063	-	-	-
Total expenditures	<u>378,657</u>	<u>317,103</u>	<u>-</u>	<u>5,883</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	371,381	90,810	-	(4,983)
OTHER FINANCING USES:				
Transfers out	(1,800)	-	-	-
NET CHANGE IN FUND BALANCES	369,581	90,810	-	(4,983)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)	<u>295,362</u>	<u>(302,489)</u>	<u>1,075</u>	<u>(3,556)</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 664,943</u>	<u>\$ (211,679)</u>	<u>\$ 1,075</u>	<u>\$ (8,539)</u>

Macon and Piatt Counties Regional Office of Education No. 39
General Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis
For the Year Ended June 30, 2023
Schedule 2

	School Improvement	Community Foundation - Homeless	Total
REVENUES:			
Local sources	\$ -	\$ 2,500	\$ 1,196,517
State sources	-	-	1,370,117
On-behalf payments	-	-	245,587
Interest	-	-	50,578
Total revenues	<u>-</u>	<u>2,500</u>	<u>2,862,799</u>
EXPENDITURES:			
Instructional services:			
Salaries and benefits	-	-	1,691,829
Purchased services	-	-	216,204
Supplies and materials	-	-	46,320
Pension expense	-	-	71,996
Other objects	-	-	3,833
OPEB expense	-	-	932
On-behalf payments	-	-	245,587
Capital outlay	-	-	45,989
Total expenditures	<u>-</u>	<u>-</u>	<u>2,322,690</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	2,500	540,109
OTHER FINANCING USES:			
Transfers out	-	-	(17,700)
NET CHANGE IN FUND BALANCES	-	2,500	522,409
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)	<u>18</u>	<u>-</u>	<u>1,697,844</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 18</u>	<u>\$ 2,500</u>	<u>\$ 2,220,253</u>

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund
Combining Schedule of Accounts - Modified Cash Basis
June 30, 2023
Schedule 3

	Truants Alternative/ Optional Education	ROE/ISC Operations	Start Early - Training and Technical	Regional Safe Schools
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1	\$ 36,275	\$ -	\$ 7
LIABILITIES				
Current liabilities:				
Due to other funds	-	-	215,418	-
FUND BALANCES (DEFICITS)				
Restricted	1	36,275	-	7
Unassigned	-	-	(215,418)	-
TOTAL FUND BALANCES (DEFICITS)	1	36,275	(215,418)	7
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 1	\$ 36,275	\$ -	\$ 7

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund
Combining Schedule of Accounts - Modified Cash Basis
June 30, 2023
Schedule 3

	Early Childhood Block Grant	Not on Tobacco	Homeless Children Youth Program	Regional Safe School Cooperative Education Program
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 297,419	\$ 394	\$ -	\$ -
LIABILITIES				
Current liabilities:				
Due to other funds	-	-	6,215	-
FUND BALANCES (DEFICITS)				
Restricted	297,419	394	-	-
Unassigned	-	-	(6,215)	-
TOTAL FUND BALANCES (DEFICITS)	297,419	394	(6,215)	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 297,419	\$ 394	\$ -	\$ -

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund
Combining Schedule of Accounts - Modified Cash Basis
June 30, 2023
Schedule 3

	ESSER Digital Equity	ARP Emergency Relief Homeless	ESSER II	ESSER III
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
Current liabilities:				
Due to other funds	-	-	-	-
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ -	\$ -	\$ -

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund
Combining Schedule of Accounts - Modified Cash Basis
June 30, 2023
Schedule 3

	EANS ESSER	Social Emotional Learning	Community Partnership	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 334,096
LIABILITIES				
Current liabilities:				
Due to other funds	162,926	126,519	-	511,078
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	334,096
Unassigned	(162,926)	(126,519)	-	(511,078)
TOTAL FUND BALANCES (DEFICITS)	(162,926)	(126,519)	-	(176,982)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ -	\$ -	\$ 334,096

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis
For the Year Ended June 30, 2023
Schedule 4

	Truants Alternative/ Optional Education	ROE/ISC Operations	Start Early - Training and Technical	Regional Safe Schools
REVENUES:				
State sources	\$ 287,992	\$ 286,888	\$ 408,081	\$ 152,848
Federal sources	-	-	-	-
Total revenues	<u>287,992</u>	<u>286,888</u>	<u>408,081</u>	<u>152,848</u>
EXPENDITURES:				
Instructional services:				
Salaries and benefits	268,294	141,125	120,974	74,110
Purchased services	4,495	91,742	231,658	522
Supplies and materials	5,525	2,553	-	-
Other objects	-	16,582	24,742	-
Pension expense	9,677	2,453	7,724	557
OPEB expense	-	-	-	-
Intergovernmental:				
Payments to other governments	-	-	-	-
Capital outlay	-	1,249	673	-
Total expenditures	<u>287,991</u>	<u>255,704</u>	<u>385,771</u>	<u>75,189</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1	31,184	22,310	77,659
OTHER FINANCING SOURCES:				
Transfer in	-	-	-	-
NET CHANGE IN FUND BALANCES	1	31,184	22,310	77,659
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)	<u>-</u>	<u>5,091</u>	<u>(237,728)</u>	<u>(77,652)</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 1</u>	<u>\$ 36,275</u>	<u>\$ (215,418)</u>	<u>\$ 7</u>

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis
For the Year Ended June 30, 2023
Schedule 4

	Early Childhood Block Grant	Not on Tobacco	Homeless Children Youth Program	Regional Safe School Cooperative Education Program
REVENUES:				
State sources	\$ 1,540,574	\$ -	\$ -	\$ 39,230
Federal sources	-	-	35,034	-
Total revenues	<u>1,540,574</u>	<u>-</u>	<u>35,034</u>	<u>39,230</u>
EXPENDITURES:				
Instructional services:				
Salaries and benefits	135,023	-	11,296	38,674
Purchased services	1,416,203	-	3,380	556
Supplies and materials	-	-	4,423	-
Other objects	52,712	-	-	-
Pension expense	7,455	-	557	-
OPEB expense	-	-	-	-
Intergovernmental:				
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>1,611,393</u>	<u>-</u>	<u>19,656</u>	<u>39,230</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(70,819)	-	15,378	-
OTHER FINANCING SOURCES:				
Transfer in	-	-	-	-
NET CHANGE IN FUND BALANCE	(70,819)	-	15,378	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)	<u>368,238</u>	<u>394</u>	<u>(21,593)</u>	<u>-</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 297,419</u>	<u>\$ 394</u>	<u>\$ (6,215)</u>	<u>\$ -</u>

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis
For the Year Ended June 30, 2023
Schedule 4

	ESSER Digital Equity	ARP Emergency Relief Homeless	ESSER II	ESSER III
REVENUES:				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	37,759	52,315	9,922	-
Total revenues	<u>37,759</u>	<u>52,315</u>	<u>9,922</u>	<u>-</u>
EXPENDITURES:				
Instructional services:				
Salaries and benefits	-	-	-	-
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Other objects	-	-	-	-
Pension expense	-	-	-	-
OPEB expense	-	-	-	-
Intergovernmental:				
Payments to other governments	-	46,000	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>46,000</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	37,759	6,315	9,922	-
OTHER FINANCING SOURCES:				
Transfer in	-	-	-	17,700
NET CHANGE IN FUND BALANCE	37,759	6,315	9,922	17,700
FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)	<u>(37,759)</u>	<u>(6,315)</u>	<u>(9,922)</u>	<u>(17,700)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis
For the Year Ended June 30, 2023
Schedule 4

	EANS ESSER	Social Emotional Learning	Community Partnership	Total
REVENUES:				
State sources	\$ -	\$ -	\$ -	2,715,613
Federal sources	-	1,147,899	323,529	1,606,458
Total revenues	<u>-</u>	<u>1,147,899</u>	<u>323,529</u>	<u>4,322,071</u>
EXPENDITURES:				
Instructional services:				
Salaries and benefits	-	165,566	-	955,062
Purchased services	-	344,399	-	2,092,955
Supplies and materials	38,869	51,301	-	102,671
Other objects	-	-	23,529	117,565
Pension expense	-	11,736	-	40,159
OPEB expense	-	-	-	-
Intergovernmental:				
Payments to other governments	-	92,000	300,000	438,000
Capital outlay	16,036	38,575	-	56,533
Total expenditures	<u>54,905</u>	<u>703,577</u>	<u>323,529</u>	<u>3,802,945</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(54,905)	444,322	-	519,126
OTHER FINANCING SOURCES:				
Transfer in	-	-	-	17,700
NET CHANGE IN FUND BALANCE	(54,905)	444,322	-	536,826
FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)	<u>(108,021)</u>	<u>(570,841)</u>	<u>-</u>	<u>(713,808)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (162,926)</u>	<u>\$ (126,519)</u>	<u>\$ -</u>	<u>\$ (176,982)</u>

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
Truants Alternative/Optional Education
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES:			
State sources	\$ 287,992	\$ 287,992	\$ 287,992
EXPENDITURES:			
Instructional services:			
Salaries and benefits	278,197	278,197	268,294
Purchased services	4,751	4,751	4,495
Supplies and materials	5,044	5,044	5,525
Pension expense	-	-	9,677
Total expenditures	287,992	287,992	287,991
NET CHANGE IN FUND BALANCE	\$ -	\$ -	1
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)			-
FUND BALANCE, END OF YEAR			\$ 1

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
ROE/ISC Operations
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES:			
State sources	\$ 334,655	\$ 334,655	\$ 286,888
EXPENDITURES:			
Instructional services:			
Salaries and benefits	250,575	172,269	141,125
Purchased services	75,950	108,837	91,742
Supplies and materials	3,630	1,649	2,553
Other objects	-	44,900	16,582
Pension expense	-	-	2,453
Capital outlay	4,500	7,000	1,249
Total expenditures	334,655	334,655	255,704
NET CHANGE IN FUND BALANCE	\$ -	\$ -	31,184
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)			5,091
FUND BALANCE, END OF YEAR			\$ 36,275

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
Start Early - Training and Technical
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES:			
State sources	\$ 437,500	\$ 437,500	\$ 408,081
EXPENDITURES:			
Instructional services:			
Salaries and benefits	135,076	135,076	120,974
Purchased services	283,395	283,395	231,658
Other objects	18,339	18,339	24,742
Pension expense	-	-	7,724
Capital outlay	690	690	673
Total expenditures	437,500	437,500	385,771
NET CHANGE IN FUND BALANCE	\$ -	\$ -	22,310
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED, (SEE NOTE 15)			(237,728)
FUND BALANCE, END OF YEAR			\$ (215,418)

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
Regional Safe Schools
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES:			
State revenues	\$ 75,189	\$ 75,189	\$ 152,848
EXPENDITURES:			
Instructional services:			
Salaries and benefits	74,492	74,492	74,110
Purchased services	697	697	522
Pension expense	-	-	557
Total expenditures	75,189	75,189	75,189
NET CHANGE IN FUND BALANCE	\$ -	\$ -	77,659
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED, (SEE NOTE 15)			(77,652)
FUND BALANCE, END OF YEAR			\$ 7

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
Early Childhood Block Grant
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES:			
State sources	\$ 1,770,886	\$ 1,770,886	\$ 1,540,574
EXPENDITURES:			
Instructional services:			
Salaries and benefits	149,724	153,474	135,023
Purchased services	1,616,662	1,567,141	1,416,203
Supplies and materials	4,500	4,500	-
Other objects	-	45,771	52,712
Pension expense	-	-	7,455
Total expenditures	1,770,886	1,770,886	1,611,393
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(70,819)
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)			368,238
FUND BALANCE, END OF YEAR			\$ 297,419

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
Homeless Children Youth Program
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES:			
Federal sources	\$ 16,775	\$ 20,775	\$ 35,034
EXPENDITURES:			
Instructional services:			
Salaries and benefits	11,743	11,950	11,296
Purchased services	3,500	7,680	3,380
Supplies and materials	1,532	1,145	4,423
Pension expense	-	-	557
Total expenditures	16,775	20,775	19,656
NET CHANGE IN FUND BALANCE	\$ -	\$ -	15,378
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			
AS RESTATED, (SEE NOTE 15)			(21,593)
FUND BALANCE, END OF YEAR			\$ (6,215)

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
Regional Safe School Cooperative Education Program
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES:			
State sources	\$ 39,230	\$ 39,230	\$ 39,230
EXPENDITURES:			
Instructional services:			
Salaries and benefits	39,095	39,095	38,674
Purchased services	94	94	556
Supplies and materials	41	41	-
Total expenditures	39,230	39,230	39,230
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)			-
FUND BALANCE, END OF YEAR			\$ -

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
ESSER Digital Equity
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES:			
Federal sources	\$ 13,107	\$ 13,107	\$ 37,759
EXPENDITURES:			
Instructional services:			
Supplies and materials	4,707	4,707	-
Capital outlay	8,400	8,400	-
Total expenditures	13,107	13,107	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	37,759
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED, (SEE NOTE 15)			(37,759)
FUND BALANCE, END OF YEAR			\$ -

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
ARP Emergency Relief Homeless
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES:			
Federal sources	\$ 52,315	\$ 52,315	\$ 52,315
EXPENDITURES:			
Instructional services:			
Purchased services	4,000	4,000	-
Supplies and materials	2,315	2,315	-
Intergovernmental:			
Payments to other governments	46,000	46,000	46,000
Total expenditures	52,315	52,315	46,000
NET CHANGE IN FUND BALANCE	\$ -	\$ -	6,315
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED, (SEE NOTE 15)			(6,315)
FUND BALANCE, END OF YEAR			\$ -

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
ESSER II
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES:			
Federal sources	\$ 9,922	\$ 9,922	\$ 9,922
EXPENDITURES:			
Instructional services:			
Salaries and benefits	8,552	8,552	-
Supplies and materials	1,370	1,370	-
Total expenditures	9,922	9,922	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	9,922
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED, (SEE NOTE 15)			(9,922)
FUND BALANCE, END OF YEAR			\$ -

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
ESSER III
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES:			
Federal sources	\$ -	\$ -	\$ -
EXPENDITURES:			
Instructional services:			
Salaries and benefits	-	-	-
Purchased services	-	-	-
Supplies and materials	-	-	-
Total expenditures	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -	-
OTHER FINANCING SOURCES:			
Transfer in			17,700
NET CHANGE IN FUND BALANCE			17,700
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED, (SEE NOTE 15)			(17,700)
FUND BALANCE, END OF YEAR			\$ -

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
EANS ESSER
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES:			
Federal sources	\$ 272,355	\$ 272,355	\$ -
EXPENDITURES:			
Instructional services:			
Purchased services	2,497	2,497	-
Supplies and materials	-	-	38,869
Intergovernmental:			
Payments to other governments	269,858	269,858	-
Capital outlay	-	-	16,036
Total expenditures	272,355	272,355	54,905
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(54,905)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED, (SEE NOTE 15)			(108,021)
FUND BALANCE (DEFICIT), END OF YEAR			\$ (162,926)

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
Social Emotional Learning
For the Year Ended June 30, 2023
Schedule 5

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUES:			
Federal sources	\$ 857,143	\$ 1,714,286	\$ 1,147,899
EXPENDITURES:			
Instructional services:			
Salaries and benefits	260,188	371,187	165,566
Purchased services	594,955	554,281	344,399
Supplies and materials	1,000	121,818	51,301
Pension expense	-	-	11,736
Intergovernmental:			
Payments to other governments	-	625,000	92,000
Capital outlay	1,000	42,000	38,575
Total expenditures	<u>857,143</u>	<u>1,714,286</u>	<u>703,577</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	444,322
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED, (SEE NOTE 15)			<u>(570,841)</u>
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (126,519)</u>

Macon and Piatt Counties Regional Office of Education No. 39
Education Fund Accounts
Budgetary Comparison Schedule - Modified Cash Basis
Community Partnership
For the Year Ended June 30, 2023
Schedule 5

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES:			
Federal sources	\$ 323,529	\$ 323,529	\$ 323,529
EXPENDITURES:			
Instructional services:			
Purchased services	160,000	23,529	-
Supplies and materials	15,000	-	-
Other objects	-	-	23,529
Intergovernmental:			
Payments to other governments	98,529	300,000	300,000
Capital outlay	50,000	-	-
Total expenditures	323,529	323,529	323,529
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED, (SEE NOTE 15)			-
FUND BALANCE, END OF YEAR			\$ -

Macon and Piatt Counties Regional Office of Education No. 39
Nonmajor Special Revenue Funds
Combining Balance Sheet - Modified Cash Basis
June 30, 2023
Schedule 6

	<u>Institute</u>	<u>GED</u>	<u>Bus Permit</u>	<u>Skills SED</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 124,105	\$ 1,801	\$ 6,562	\$ -	\$ 132,468
LIABILITIES					
Current liabilities:					
Due to other funds	-	-	-	3,147	3,147
FUND BALANCES (DEFICITS)					
Restricted	124,105	1,801	6,562	-	132,468
Unassigned	-	-	-	(3,147)	(3,147)
Total fund balances	<u>124,105</u>	<u>1,801</u>	<u>6,562</u>	<u>(3,147)</u>	<u>129,321</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 124,105</u>	<u>\$ 1,801</u>	<u>\$ 6,562</u>	<u>\$ -</u>	<u>\$ 132,468</u>

Macon and Piatt Counties Regional Office of Education No. 39
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis
For the Year Ended June 30, 2023
Schedule 7

	<u>Institute</u>	<u>GED</u>	<u>Bus Permit</u>	<u>Skills SED</u>	<u>Total</u>
REVENUES:					
Local sources	\$ 44,695	\$ 3,676	\$ 4,246	\$ 43,117	\$ 95,734
State sources	-	-	1,412	-	1,412
Total revenues	<u>44,695</u>	<u>3,676</u>	<u>5,658</u>	<u>43,117</u>	<u>97,146</u>
EXPENDITURES:					
Instructional services:					
Salaries and benefits	24,574	-	6,432	28,658	59,664
Purchased services	27,649	4,813	33	11,593	44,088
Supplies and materials	621	122	-	3,149	3,892
Other objects	-	-	-	2,425	2,425
Pension expense	1,533	-	299	-	1,832
Total expenditures	<u>54,377</u>	<u>4,935</u>	<u>6,764</u>	<u>45,825</u>	<u>111,901</u>
NET CHANGE IN FUND BALANCES	(9,682)	(1,259)	(1,106)	(2,708)	(14,755)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR AS RESTATED, (SEE NOTE 15)	<u>133,787</u>	<u>3,060</u>	<u>7,668</u>	<u>(439)</u>	<u>144,076</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 124,105</u>	<u>\$ 1,801</u>	<u>\$ 6,562</u>	<u>\$ (3,147)</u>	<u>\$ 129,321</u>

Macon and Piatt Counties Regional Office of Education No. 39
Custodial Funds
Combining Statement of Fiduciary Net Position - Modified Cash Basis
June 30, 2023
Schedule 8

	Heartland Region Fund	Regional Board of Trustees	School Occupation Facility Tax	Decatur Community Partnership	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 756,969	\$ 1,350	\$ -	\$ 7,558	\$ 765,877
NET POSITION					
Restricted for other individuals and governments	\$ 756,969	\$ 1,350	\$ -	\$ 7,558	\$ 765,877

Macon and Piatt Counties Regional Office of Education No. 39
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position - Modified Cash Basis
For the Year Ended June 30, 2023
Schedule 9

	Heartland Region Fund	Regional Board of Trustees	School Occupation Facility Tax	Decatur Community Partnership	Total
ADDITIONS:					
Sales tax collections for other governments	\$ -	\$ -	\$ 13,720,550	\$ -	\$ 13,720,550
Other revenue	-	-	-	3,650	3,650
Education collections for local governments	2,026,676	-	-	185,881	2,212,557
Total additions	<u>2,026,676</u>	<u>-</u>	<u>13,720,550</u>	<u>189,531</u>	<u>15,936,757</u>
DEDUCTIONS:					
Payments of sales tax to other governments	-	-	13,720,550	-	13,720,550
Administrative expense	45,000	-	-	181,973	226,973
Education distributions to local governments	1,685,161	-	-	-	1,685,161
Total deductions	<u>1,730,161</u>	<u>-</u>	<u>13,720,550</u>	<u>181,973</u>	<u>15,632,684</u>
NET INCREASE IN FIDUCIARY NET POSITION	296,515	-	-	7,558	304,073
NET POSITION, BEGINNING OF YEAR AS RESTATED, (SEE NOTE 15)	<u>460,454</u>	<u>1,350</u>	<u>-</u>	<u>-</u>	<u>461,804</u>
NET POSITION, END OF YEAR	<u>\$ 756,969</u>	<u>\$ 1,350</u>	<u>\$ -</u>	<u>\$ 7,558</u>	<u>\$ 765,877</u>

FEDERAL COMPLIANCE SECTION

Macon and Piatt Counties Regional Office of Education No. 39
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass- Through/ Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
EDUCATIONAL STABILIZATION FUND				
Passed through Illinois State Board of Education:				
<i>COVID-19 - American Rescue Plan (ARP) - Social Emotional Learning and Trauma Response</i>	(M) 84.425	22-4998-SE	\$ 92,000	\$ 703,577
<i>COVID-19 - American Rescue Plan - Elementary and Secondary Emergency Relief (ARP ESSER) - Community Partnership Grant</i>	(M) 84.425	22-4998-CP	300,000	323,529
Passed through Regional Office of Education No. 11:				
<i>COVID-19 - ARP - ESSER - Homeless Children and Youth</i>	(M) 84.425W	22-4998-HM	46,000	46,000
Passed through West 40 - Intermediate Service Center:				
<i>COVID-19 - Coronavirus Response and Relief Supplemental Appropriation Act, 2021 - Emergency Assistance to Non-Public Schools</i>	(M) 84.425R	22-4998-E2	-	54,905
<i>Total Educational Stabilization Fund</i>			<u>438,000</u>	<u>1,128,011</u>
Passed through Regional Office of Education No. 11:				
<i>Mckinney Education for Homeless Children</i>	84.196A	23-4920-00	-	19,656
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 438,000	\$ 1,147,667
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 438,000</u>	<u>\$ 1,147,667</u>

(M) Program was audited as a major program.

Macon and Piatt Counties Regional Office of Education No. 39
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

NOTE 1 REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Regional Office of Education No. 39 under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Regional Office of Education No. 39, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Regional Office of Education No. 39.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Regional Office of Education No. 39 has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 CHANGE IN REPORTING BASIS

For the fiscal year ended June 30, 2023, the Regional Office of Education No. 39 has presented the Schedule in accordance with the modified cash basis of accounting. This is a change from the fiscal year 2022 presentation, which was reported using generally accepted accounting principles (GAAP).

NOTE 4 LOANS/LOAN GUARANTEES/INTEREST SUBSIDIES

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

NOTE 5 DONATED PERSONAL PROTECTIVE EQUIPMENT

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