

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

FINANCIAL AUDIT  
(In Accordance with the Uniform Guidance)  
For the year ended June 30, 2024

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



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

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

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

OFFICIALS

Regional Superintendent  
(Current and During the Audit Period)

Ms. Julie Wollerman

Assistant Regional Superintendent  
(Current and During the Audit Period)

Ms. Annette Hartlieb

Offices are located at:

210 South Webster  
Taylorville, IL 62568

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

1500 W. Jefferson Street  
Vandalia, IL 62471

203 South Main Street  
Hillsboro, IL 62049

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

COMPLIANCE REPORT SUMMARY

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

**AUDITORS' REPORTS**

The auditors' 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	1	1
Repeated audit findings	-	-
Prior recommendations implemented or not repeated	1	1

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2024-001	13	Controls over Grant Compliance	Significant Deficiency and Noncompliance
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)			
2024-001	13	Controls over Grant Compliance	Significant Deficiency and Noncompliance
PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)			
2023-001	17	Misreporting of an Administrative Fee	Material Weakness

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

There were no findings for the year ended June 30, 2023.

**EXIT CONFERENCE**

The Regional Office of Education No. 3 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2024. Throughout the audit, numerous meetings were held between the auditors and Regional Office officials to discuss matters contained in this audit report. The response to the recommendation was provided by Ms. Julie Wollerman, Regional Superintendent on November 15, 2024.

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

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3 was performed by West & Company, LLC.

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



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## **INDEPENDENT AUDITORS' 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 cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's basic financial statements as listed in the table of contents.

In our opinion, the accompanying cash basis financial statements referred above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3, as of June 30, 2024, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3, 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 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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



### ***Auditors' 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 auditors' 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 GAS 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 GAS, 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 Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3'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 Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3'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 that collectively comprise the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's basic financial statements. The cash basis combining schedules 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 relate 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 cash basis combining schedules 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 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 19, 2024, on our consideration of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3’s internal control over financial reporting and compliance.

**SIGNED ORIGINAL ON FILE**

Mattoon, Illinois  
December 19, 2024



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**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**

**INDEPENDENT AUDITORS' REPORT**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's cash basis financial statements, and have issued our report thereon dated December 19, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the cash basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001, that we consider to be a significant deficiency.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.

### **Regional Office of Education No. 3's Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Mattoon, Illinois  
December 19, 2024



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

**INDEPENDENT AUDITORS' REPORT**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Report on Compliance for Each Major Federal Program**

***Opinion on the Major Federal Program***

As Special Assistant Auditors for the Auditor General, we have audited compliance by the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3 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 the Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's major federal program for the year ended June 30, 2024. Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's major federal program is identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

***Basis for Opinion on the 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's federal program.

### ***Auditors' 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 Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3'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 Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's compliance with the requirements of the 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 Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3'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 Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3'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 Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3'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**

#### ***Instance of Noncompliance***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's response to the noncompliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### ***Corrective Action Plan***

Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3 is responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*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 deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001, to be a significant deficiency.

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 Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Corrective Action Plan***

Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3 is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Bond, Christian, Effingham, Fayette, and Montgomery Counties Regional Office of Education No. 3'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**

Mattoon, Illinois  
December 19, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 3  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 SECTION I – SUMMARY OF AUDITORS’ RESULTS  
 For the year ended June 30, 2024

**Financial Statements in accordance with Cash Basis**

Type of auditors' report issued: UNMODIFIED

Internal control over financial reporting:

- Material weakness(es) identified?        yes   X   no
- Significant deficiency(ies) identified?   X   yes        none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?        yes   X   no
- Significant deficiency(ies) identified?   X   yes        none reported

Type of auditors' 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)?   X   yes        no

Identification of major federal programs:

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

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

Auditee qualified as low-risk auditee?        yes   X   no

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the year ended June 30, 2024

**FINDING NO. 2024-001 – Controls over Grant Compliance**

**Federal Program:** Education for Homeless Children and Youth  
**Project No.:** 2024-4920-00  
**ALN No.:** 84.196A  
**Passed Through:** Illinois State Board of Education  
**Federal Agency:** U.S. Department of Education

**CRITERIA/SPECIFIC REQUIREMENT:**

As a recipient of federal, State, and local funds from various grantor agencies, the Regional Office of Education No. 3 (ROE) must incorporate certain procedures into its operations in order to comply with the grant agreements with these entities. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires that a recipient submit performance reports as required by the federal award. Specifically, these expenditure reports should be submitted to the granting agency in a timely manner.

The ROE is responsible for establishing and maintaining an internal control system over the completion of timely quarterly expenditure reports required for grants administered by the Illinois State Board of Education. The Illinois State Board of Education requires expenditure reports to be filed within 20 days of the applicable end of each quarter.

**CONDITION:**

During the course of the audit, auditors noted 10 of the 25 (40%) quarterly expenditure reports required by the Illinois State Board of Education were not submitted timely. Seven of the quarterly expenditure reports were submitted between 2 and 4 days late, one quarterly expenditure reports was submitted between 10 and 20 days late, and two quarterly expenditure report were submitted between 80 and 100 days late.

For the federal program, auditors noted 3 of the 4 (75%) quarterly expenditure reports required by the Illinois State Board of Education were not submitted timely. One of the quarterly expenditure reports was submitted 2 days late, one of the quarterly expenditure reports was submitted 4 days late, and one of the quarterly expenditure reports was submitted 89 days late.

**QUESTIONED COSTS:**

None

**CONTEXT:**

The ROE is required to file expenditure reports quarterly and within 20 days of the applicable end of each quarter.

**EFFECT:**

Lack of timely filed expenditure reports could result in a delay of grant funding. In addition, noncompliance with grant requirements could lead to the granting agency requesting reimbursement or the loss of grants for future periods.

**CAUSE:**

Regional Office of Education #3 submitted multiple grant expenditure reports late. The bookkeeper did not have a schedule in place for completing expenditure reports in a timely manner. Management did not monitor the deadline for reports.

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the year ended June 30, 2024

**FINDING NO. 2024-001 – Controls over Grant Compliance (Concluded)**

**RECOMMENDATION:**

The ROE should implement adequate internal controls to ensure that expenditure reports are filed timely.

**MANAGEMENT'S RESPONSE:**

Regional Office of Education #3 will submit timely expenditure reports. The bookkeeper has implemented a timed calendar system for reminders as well as written procedures to help ensure timely submissions. In addition, Regional Office of Education #3 has employed an additional bookkeeper to help spread the work load more evenly.

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION III – FEDERAL AWARD FINDINGS  
For the year ended June 30, 2024

**INSTANCES OF NONCOMPLIANCE:**

**FINDING 2024-001** – (finding details on pages 13-14)

**SIGNIFICANT DEFICIENCIES:**

**FINDING 2024-001** – (finding details on pages 13-14)

**MATERIAL WEAKNESSES:**

None

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
For the year ended June 30, 2024

**Corrective Action Plan**

**FINDING NO. 2024-001 – Controls over Grant Compliance**

**CONDITION:**

During the course of the audit, auditors noted 10 of the 25 (40%) quarterly expenditure reports required by the Illinois State Board of Education were not submitted timely. Seven of the quarterly expenditure reports were submitted between 2 and 4 days late, one quarterly expenditure reports was submitted between 10 and 20 days late, and two quarterly expenditure report were submitted between 80 and 100 days late.

For the federal program, auditors noted 3 of the 4 (75%) quarterly expenditure reports required by the Illinois State Board of Education were not submitted timely. One of the quarterly expenditure reports was submitted 2 days late, one of the quarterly expenditure reports was submitted 4 days late, and one of the quarterly expenditure reports was submitted 89 days late.

**PLAN:**

The Regional Office of Education #3 will submit timely expenditure reports. A system of calendar reminders as well as written procedures have been implemented. In addition, Regional Office of Education #3 has employed an additional bookkeeper to help spread the work load more evenly.

**ANTICIPATED DATE OF COMPLETION:**

Ongoing

**CONTACT PERSON:**

Ms. Julie Wollerman, Regional Superintendent

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED  
For the Year Ended June 30, 2024

2023-001

Misreporting of an Administrative Fee

Not Repeated

During the current audit, the Regional Office of Education No. 3 reported the Administrative Fee Activity in the General Fund.

## **BASIC FINANCIAL STATEMENTS**

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
STATEMENT OF ACTIVITIES AND NET POSITION - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2024

Function/Programs	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government						
Governmental Activities:						
Instructional Services:						
Salaries and benefits	\$ 2,385,352	\$ -	\$ 1,253,394	\$ (1,131,958)	\$ -	\$ (1,131,958)
Purchased services	606,662	-	189,095	(417,567)	-	(417,567)
Supplies and materials	188,226	-	93,467	(94,759)	-	(94,759)
Other objects	5,130	-	5,130	-	-	-
Intergovernmental:						
Payments to other governments	453,095	-	453,095	-	-	-
Capital outlay	82,914	-	38,322	(44,592)	-	(44,592)
Total Governmental Activities	<u>3,721,379</u>	<u>-</u>	<u>2,032,503</u>	<u>(1,688,876)</u>	<u>-</u>	<u>(1,688,876)</u>
Business-Type Activities:						
Operating	<u>190,557</u>	<u>230,728</u>	<u>-</u>	<u>-</u>	<u>40,171</u>	<u>40,171</u>
Total Business-Type Activities	<u>190,557</u>	<u>230,728</u>	<u>-</u>	<u>-</u>	<u>40,171</u>	<u>40,171</u>
Total Primary Government	<u>\$ 3,911,936</u>	<u>\$ 230,728</u>	<u>\$ 2,032,503</u>	<u>(1,688,876)</u>	<u>40,171</u>	<u>(1,648,705)</u>
General Receipts						
Local sources				462,786	-	462,786
State sources				1,493,921	-	1,493,921
Other income				71	-	71
Investment income				168,483	-	168,483
Total General Receipts				<u>2,125,261</u>	<u>-</u>	<u>2,125,261</u>
Change in Net Position				436,385	40,171	476,556
Net Position - Beginning of Year				<u>1,866,424</u>	<u>655,077</u>	<u>2,521,501</u>
Net Position - End of Year				<u>\$ 2,302,809</u>	<u>\$ 695,248</u>	<u>\$ 2,998,057</u>
Assets						
Current Assets:						
Cash and cash equivalents				<u>\$ 2,302,809</u>	<u>\$ 695,248</u>	<u>\$ 2,998,057</u>
Total Assets				<u>\$ 2,302,809</u>	<u>\$ 695,248</u>	<u>\$ 2,998,057</u>
Net Position						
Restricted						
Education programs				\$ 214,725	\$ -	\$ 214,725
Teacher training and meetings				134,943	-	134,943
GED testing				61,021	-	61,021
Bus driver training				56,280	-	56,280
Unrestricted				<u>1,835,840</u>	<u>695,248</u>	<u>2,531,088</u>
Total Net Position				<u>\$ 2,302,809</u>	<u>\$ 695,248</u>	<u>\$ 2,998,057</u>

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



BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
<b>Receipts</b>				
Local sources	\$ 407,929	\$ 9,503	\$ 45,354	\$ 462,786
State sources	1,316,320	1,478,048	17,876	2,812,244
Federal sources	-	714,180	-	714,180
Other income	71	-	-	71
Interest	168,483	-	-	168,483
Total Receipts	<u>1,892,803</u>	<u>2,201,731</u>	<u>63,230</u>	<u>4,157,764</u>
<b>Disbursements</b>				
Instructional services:				
Salaries and benefits	1,079,752	1,253,394	52,206	2,385,352
Purchased services	290,223	266,335	50,104	606,662
Supplies and materials	86,107	101,995	124	188,226
Other objects	-	5,130	-	5,130
Intergovernmental:				
Payments to other governments	-	453,095	-	453,095
Capital outlay	44,592	38,322	-	82,914
Total Disbursements	<u>1,500,674</u>	<u>2,118,271</u>	<u>102,434</u>	<u>3,721,379</u>
Excess (Deficiency) of Receipts Over Disbursements	392,129	83,460	(39,204)	436,385
Cash Basis Fund Balance (Deficit), Beginning of Year	1,699,106	(124,130)	291,448	1,866,424
Cash Basis Fund Balance (Deficit), End of Year	<u>\$ 2,091,235</u>	<u>\$ (40,670)</u>	<u>\$ 252,244</u>	<u>\$ 2,302,809</u>
<b>Cash Basis Assets - End of Year</b>				
Cash and Cash Equivalents	<u>\$ 2,091,235</u>	<u>\$ (40,670)</u>	<u>\$ 252,244</u>	<u>\$ 2,302,809</u>
<b>Cash Basis Fund Balance - End of Year</b>				
Restricted				
Education programs	\$ -	\$ 214,725	\$ -	\$ 214,725
Teacher training and meetings	-	-	134,943	134,943
GED testing	-	-	61,021	61,021
Bus driver training	-	-	56,280	56,280
Assigned				
Truant and Safe School operations	1,715,705	-	-	1,715,705
Unassigned	375,530	(255,395)	-	120,135
Total Cash Basis Fund Balance (Deficit)	<u>\$ 2,091,235</u>	<u>\$ (40,670)</u>	<u>\$ 252,244</u>	<u>\$ 2,302,809</u>

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

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
STATEMENT OF CASH BASIS ASSETS AND NET POSITION AND CASH RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN CASH BASIS NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Business - Type Activities - Enterprise Funds</u>
	<u>Workshop</u>
Operating Receipts	
Charges for services	\$ 230,728
Total Operating Receipts	<u>230,728</u>
Operating Disbursements	
Salaries and benefits	98,262
Purchased services	68,427
Supplies and materials	12,840
Other objects	8,543
Capital outlay	2,485
Total Operating Disbursements	<u>190,557</u>
Excess (Deficiency) of Receipts Over Disbursements	40,171
Net Position, Beginning of Year	<u>655,077</u>
Net Position, End of Year	<u>\$ 695,248</u>
Net Position	
Cash and Cash Equivalents	<u>\$ 695,248</u>
Cash Basis Net Position - End of Year	
Unrestricted	<u>\$ 695,248</u>

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

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 3  
 STATEMENT OF CASH BASIS ASSETS AND FIDUCIARY NET POSITION AND CASH RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN CASH BASIS FIDUCIARY NET POSITION  
 FIDUCIARY FUND  
 FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Funds
	School Facility Occupation Tax
Additions:	
County facility tax collected for other governments	\$ 10,338,058
Total Additions	10,338,058
Deductions:	
County facility tax distributed to other governments	10,338,058
Total Deductions	10,338,058
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	\$ -

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

**NOTES TO FINANCIAL STATEMENTS**

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and presentation of the basic financial statements of the Regional Office of Education No. 3 have been prepared in conformity with the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP), as applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**A. FINANCIAL REPORTING ENTITY**

The Regional Office of Education No. 3 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995.

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

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

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

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

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education No. 3 region, or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2024, the Regional Office of Education No. 3 applied for, received, and administered several State and federal programs and grants in assistance and support of the educational activities of the school districts in Bond, Christian, Effingham, Fayette, and Montgomery Counties. Such activities are reported as a single special revenue fund (i.e. within the Education Fund).

As discussed further in the "Measurement Focus and Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the ROE's accounting policies.

B. SCOPE OF THE REPORTING ENTITY

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

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

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. SCOPE OF THE REPORTING ENTITY (Concluded)**

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

**C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statement (i.e. Statement of Activities and Net Position – Cash Basis) reports information on all of the Regional Office of Education No. 3's activities. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental receipts. The Regional Office of Education No. 3 has one business-type activity that relies on fees and charges for support.

The Statement of Activities and Net Position – Cash Basis presents a summary of governmental and business-type activities' cash receipts and disbursements for the Regional Office of Education No. 3 accompanied by a total column. This statement is presented on the cash basis of accounting. The Statement of Activities and Net Position – Cash Basis does not present financial position and results of operations in accordance with GAAP. The Statement of Activities and Net Position – Cash Basis demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function. Program receipts include 1) charges for services and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Items not properly included among program receipts are reported instead as general receipts.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. These financial statements are also presented on the cash basis of accounting. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and reported in a single column.

Certain eliminations have been made as prescribed by governmental accounting standards in regards to interfund activities, such as transfers. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds.

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Concluded)

All internal transfers in the Statement of Activities and Net Position - Cash Basis have been eliminated except those representing balances between the governmental activities and the business-type activities.

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

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide and the fund financial statements are presented using a cash basis of accounting. This basis of accounting recognizes receipts and disbursements when they result from cash transactions. In addition, the government-wide statements expense disbursements for capital assets and present debt proceeds as receipts. Non-cash transactions are not reported in the financial statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

Under the terms of grant agreements, Regional Office of Education No. 3 funds certain programs by a combination of specific cost-reimbursement grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net position available to finance the program. It is Regional Office of Education No. 3's policy to first apply cost-reimbursement grant resources to such programs and then general receipts.

When a reimbursement in governmental funds can be paid using either restricted or unrestricted resources, the Regional Office of Education No. 3's policy is generally to first apply the disbursement toward restricted fund balance and then to unrestricted classification, in the order of committed, assigned, and then unassigned fund balances.



BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. GOVERNMENTAL FUND FINANCIAL STATEMENT**

The governmental fund financial statement includes a Statement of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances for all major governmental funds and nonmajor funds aggregated.

The governmental fund financial statement has been prepared on the cash basis of accounting. It presents sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measurement of available spendable financial resources at the end of the period.

**F. PROPRIETARY FUND FINANCIAL STATEMENT**

The proprietary fund financial statement includes a Statement of Cash Basis Assets and Net Position and Cash Receipts, Disbursements, and Changes in Cash Basis Net Position for the major proprietary fund.

The proprietary fund is accounted for using the cash basis of accounting. The Statement of Cash Basis Assets and Net Position and Cash Receipts, Disbursements, and Changes in Cash Basis Net Position presents increases (receipts) and decreases (disbursements) in total net position. Under the cash basis of accounting, receipts are recognized in the period in which they are received while disbursements are recognized in the period in which they are disbursed.

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

**G. FUND ACCOUNTING**

The Regional Office of Education No. 3 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education No. 3 uses governmental, proprietary, and fiduciary funds.

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. FUND ACCOUNTING (Continued)

As prescribed by GASB Statement No. 34, governmental and proprietary fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets, receipts, or disbursements (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and (2) total assets, receipts, or disbursements (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education No. 3 has presented all major funds that met the above qualifications.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the Regional Office of Education No. 3 are typically reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources using the cash basis of accounting. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used.

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

**General Fund**

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

The following accounts are included in the General Fund:

General - This account provides funding to pay for disbursements in order to operate the Regional Office of Education No. 3.

County - Used to account for monies received for, and payment of, disbursements in connection with general administration activities. The sources of these monies is from the five county boards for which the Regional Office serves.

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. FUND ACCOUNTING (Continued)

**Governmental Funds (Concluded)**

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

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

Truants Alternative/Optional Education (EBF) - To account for Evidence-Based-Funding received to support the Truants Alternative/Optional Education Program.

Regional Safe Schools Program (EBF) - To account for Evidence-Based-Funding received to support the Regional Safe Schools programs.

Tuition - To account for tuition payments from local districts sending students to alternative education programs provided by the Regional Office of Education No. 3.

**Special Revenue Funds**

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

Major special revenue funds include the following:

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

Alternative Education Programs - Other - To account for local, state, and federal monies used to provide breakfast and lunch for the students enrolled in the alternative schools.

American Rescue Plan (ARP) - McKinney Vento Homeless Grant - This program facilitates the identification, enrollment, retention, and educational success of homeless children and youth in response to the impact of COVID-19.

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. FUND ACCOUNTING (Continued)

**Special Revenue Funds (Concluded)**

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

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

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

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

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

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

**Nonmajor Special Revenue Funds**

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

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

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. FUND ACCOUNTING (Concluded)

**Nonmajor Special Revenue Funds (Concluded)**

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

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

**Proprietary Funds**

Proprietary funds are those for which receipts and disbursements related to services provided to organizations inside the Region on a cost-reimbursement basis are reported. The major proprietary fund is as follows:

Workshops - This fund is used to account for the various fees charged for local workshops that provide professional development to area educators.

**Fiduciary Funds**

Custodial funds

Custodial funds are used to report fiduciary activities that are not required to be reported in another fiduciary fund type. The Regional Office's custodial fund accounts for amounts collected and distributed on behalf of another government or organization. The custodial fund is as follows:

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

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

H. GOVERNMENTAL FUND BALANCES - CASH BASIS

Fund Balance is divided into five classifications based primarily on the extent to which the Regional Office is bound to observe constraints imposed upon the use of the resources in the governmental funds. The following classifications are as follows:

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. The Regional Office of Education No. 3 has no nonspendable fund balances.

Restricted Fund Balance - the portion of a Governmental Fund's fund balance that is subject to external enforceable legal restrictions. The following fund balances are restricted by grant agreement or contract: Alternative Education Programs – Other, Early Childhood Block Grant, Regional Safe Schools, ROE/ISC Operations, and Truants Alternative/Optional Education. The following fund balances are restricted by Illinois Statute: Institute Fund, General Education Development, and Bus Driver Training.

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

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 fund balances are assigned: Attendance Officer, Truants Alternative/Optional Education EBF, Regional Safe Schools Program EBF, and Tuition.

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following fund balances are unassigned: General, County, EIU, American Rescue Plan (ARP) - McKinney Vento Homeless Grant, Elementary and Secondary School Emergency Relief Grant, and McKinney Education for Homeless Children.

I. NET POSITION - CASH BASIS

The Statement of Activities and Net Position - Cash Basis presents the Regional Office's nonfiduciary net position. Net position is reported in the following categories/components:

Restricted Net Position - results when constraints placed on the use of resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

I. NET POSITION - CASH BASIS (Concluded)

Unrestricted Net Position - consists of cash and cash equivalents balances not meeting the definition of the preceding category. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

J. BUDGET INFORMATION

The Regional Office of Education No. 3 acts as the administrative agent for certain grant programs that are accounted for in the Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education or other granting authority; however, none of the annual budgets have been legally adopted, nor are they required to do so. These budgets are based on the award period. Budgets are not presented for prior year programs with timing differences related to presentation on the cash basis of accounting. Certain programs within the Education Fund do not have separate budgets.

Comparisons of budgeted and actual results for the following programs are presented as supplementary information: American Rescue Plan (ARP) - McKinney Vento Homeless Grant, Early Childhood Block Grant, Elementary and Secondary School Emergency Relief Grant, McKinney Education for Homeless Children, Regional Safe Schools, ROE/ISC Operations, and Truants Alternative/Optional Education.

K. CASH AND CASH EQUIVALENTS

The Regional Office of Education No. 3 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of 90 days or less to be cash and cash equivalents. State regulations require that Regional Office of Education No. 3 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. 3 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 Fund.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

L. NEW ACCOUNTING PRONOUNCEMENTS

The Regional Office of Education No. 3 has reviewed the Governmental Accounting Standards Board (GASB) Statements that became effective for fiscal year June 30, 2024 and has determined that none of the new Statements were applicable or had a material impact on the Regional Office's financial statements.

M. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through August 30, 2024, the date when the financial statements were available to be issued.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

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

A. DEPOSITS

At June 30, 2024, the carrying amount of the Regional Office of Education No. 3's government-wide deposits were \$2,998,057, and the bank balances were \$4,162,223. Of the total bank balances as of June 30, 2024, \$305,830 was secured by federal depository insurance and \$3,856,393 was collateralized by securities pledged by the Regional Office of Education No. 3's financial institution in the name of the Regional Office.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the Regional Office's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office's policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education No. 3.



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**NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)**

**B. INVESTMENTS**

The Regional Office of Education No. 3's only investments are internally pooled in The Illinois Funds. As of June 30, 2024, the Regional Office of Education No. 3 had investments with carrying and fair value of \$0 invested in The Illinois Funds.

The bank balance invested in The Illinois Funds was \$3,926. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 3's governmental activities.

**CREDIT RISK**

At June 30, 2024, The Illinois Fund was rated AAmmf by Fitch Ratings, Inc. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

**CONCENTRATION OF CREDIT RISK**

According to The Illinois Funds' investment policy, "the majority of The Illinois Funds' investments will be in direct obligation 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 10% of assets invested in short-term obligations of any one corporation or limited liability company, 10% 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.

**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.

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**NOTE 3 – RETIREMENT FUND COMMITMENTS**

**A. Illinois Municipal Retirement Fund (IMRF)**

**IMRF – Plan Description**

The Regional Office’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’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 note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

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

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

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of 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:

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**NOTE 3 – RETIREMENT FUND COMMITMENTS (Continued)**

**A. Illinois Municipal Retirement Fund (IMRF) (Concluded)**

**Benefits Provided (Concluded)**

- 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, 2023, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	33
Inactive plan members entitled to buy not yet receiving benefits	34
Active plan members	<u>28</u>
Total	<u>95</u>

**Contributions**

As set by statute, the Regional Office of Education No. 3's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 3's annual contribution rate for calendar year 2024 and 2023 was 5.19% and 3.56%, respectively. For the fiscal year ended June 30, 2024, the Regional Office of Education No. 3 contributed \$45,602 to the plan. The Regional Office of Education No. 3 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level.

Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Because of the use of the cash basis of accounting framework in the preparation of these financial statements, the Regional Office's net pension liability is not reported in the financial statements as a liability. In accordance with the cash basis of accounting, pension expenditures are only reported when contributions are paid by the Regional Office to the plan.

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

**Plan Description**

The Regional Office of Education No. 3 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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**NOTE 3 – RETIREMENT FUND COMMITMENTS (Continued)**

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

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/acfrs/fy2023>; 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 from Tier 1.

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 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.

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**NOTE 3 – RETIREMENT FUND COMMITMENTS (Continued)**

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

**Contributions (Concluded)**

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, 2024 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. 3.

*On-behalf contributions to TRS* – The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 3.

*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 ending June 30, 2024 were \$6,816.

*Federal and special trust fund contributions* - When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 3, there is a statutory requirement for the Regional Office of Education No. 3 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, 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, 2024, the employer pension contribution was 10.60 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2024, salaries totaling \$66,440 were paid from federal and special trust funds that required employer contributions of \$7,043.

*Employer retirement cost contributions* - Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 3 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2024, the Regional Office of Education No. 3 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.

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 REGIONAL OFFICE OF EDUCATION NO. 3  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 3 – RETIREMENT FUND COMMITMENTS (Concluded)**

**C. Pension Contributions**

The Regional Office’s aggregate pension contributions for retirement funds for year ended June 30, 2024 is as follows:

Employer Pension Contributions		
IMRF	\$	45,602
TRS		13,859
Total Pension Contributions	\$	<u>59,461</u>

**NOTE 4 – OTHER POST-EMPLOYMENT BENEFITS**

**A. Teachers’ Health Insurance Security**

**Plan Description**

The Regional Office of Education No. 3 participates in the Teachers’ Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers’ Retirement System (TRS).

**Benefits Provided**

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor’s approval. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

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

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**NOTE 4 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**A. Teachers’ Health Insurance Security (Concluded)**

**On-behalf Contributions to the THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 3.

**Employer Contributions to the THIS Fund**

The Regional Office of Education No. 3 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2024. For the year ended June 30, 2024, the Regional Office paid \$7,873 to the THIS Fund, which was 100 percent of the required contribution.

**Further Information on the THIS Fund**

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

**B. Health Insurance**

**Plan Description**

The Regional Office of Education No. 3 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Regional Office of Education No. 3 and can be amended by the Regional Office through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes (ILCS). The plan is not accounted for as trust fund since an irrevocable trust has not been established by the Regional Office of Education No. 3. The plan does not issue a separate report.

**Benefits Provided**

The Regional Office of Education No. 3 provides medical and prescription drug insurance coverage to IMRF participants and eligible retirees through a group plan. Premium rates are determined by the participant’s age. The plan uses the Hospital Sisters health System (HSHS) provider network which services primarily the central Illinois region.

For a retired employee to be eligible for benefits, an employee must qualify for retirement in accordance with the requirements established by the Illinois Municipal Retirement Fund. Employees hired prior to January 1, 2011, Tier I employees, are eligible for retirement at age 55 with 35 years of service or age 60 with 8 years of service and are eligible for early retirement at age 55 with 8 years of service. Employees hired after December 31, 2010, Tier 2 employees, are eligible for retirement at age 62 with 35 years of service or age 67 with 10 years of service and are eligible for early retirement at age 62 with 10 years of service. Participants in the plan, included spouses and surviving spouses, are eligible to remain on the plan until age 65 when Medicare becomes the primary insurer.

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**NOTE 4 – OTHER POST-EMPLOYMENT BENEFITS (Concluded)**

**Membership**

As of June 30, 2024, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	0
Inactive plan members entitled to buy not yet receiving benefits	0
Active plan members	<u>11</u>
Total	<u>11</u>

**Funding Policy and Contributions**

The Regional Office pays 50% of the eligible employee’s premium cost, however, the employee must pay for any coverage provided for spouses or children. In addition, any eligible retiree utilizing the Regional Office’s group insurance is responsible for 100% of their premium. At June 30, 2024, there were no retirees utilizing the Regional Office’s health insurance. The Regional Office paid \$32,651 in health insurance premiums for the fiscal year ended June 30, 2024.

**NOTE 5 – ON-BEHALF PAYMENTS**

Christian County, Effingham County, and Fayette County paid certain benefits on behalf of the Regional Office of Education No. 3. The benefits paid on the Regional Office of Education No. 3's behalf by the counties for the year ended June 30, 2024, were as follows:

Office Staff Benefits:	
Christian County	\$ 9,169
Effingham County	8,840
Fayette County	<u>15,324</u>
Total	<u>\$ 33,333</u>

The Regional Office of Education No. 3 received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

Regional Superintendent-salary	\$ 131,616
Regional Superintendent-benefits (includes State paid insurance)	45,363
Assistant Regional Superintendent-salary	118,452
Assistant Regional Superintendent-benefits (includes State paid insurance)	<u>39,573</u>
Totals	<u>\$ 335,004</u>



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**NOTE 5 – ON-BEHALF PAYMENTS (Concluded)**

The Regional Office of Education No. 3 received \$639,687 in on-behalf payments from ISBE for the Regional Office’s share of the State’s Teachers’ Retirement System (TRS) pension expense. The Regional Office of Education No. 3 received (\$158,945) in on-behalf benefit from the State for the Regional Office’s share of the State’s Teachers’ Health Insurance Security (THIS) OPEB expense (benefit), which was 100 percent of the required contribution.

Aggregate On-Behalf Payments:	
County On-Behalf	\$ 33,333
State On-Behalf	
Salaries and Benefits	335,004
TRS	639,687
THIS	(158,945)
Total On-Behalf Payments	\$ 849,079

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

**NOTE 6 – LEASE COMMITMENTS**

The Regional Office of Education No. 3 has three building leases for classroom space in Vandalia, Effingham, and Taylorville, Illinois that expire at the end of each fiscal year-end with annual lease amounts of \$75,000, \$67,839, and \$13,200, respectively for the year ended June 30, 2024. These leases have historically been automatically renewed on an annual basis.

On June 21, 2022, the Regional Office entered into a lease agreement for classroom space in Litchfield, Illinois. The lease term is July 1, 2022 through June 30, 2025. Rent is \$40,000 per year, payable in four installments on July 15, October 15, January 15, and April 15 each year.

During fiscal year 2020, the Regional Office leased a copier. The lease term was September 11, 2020 to September 10, 2023, and includes monthly lease payments of \$242.

During fiscal year 2019, the Regional Office leased a copier. The lease term was August 19, 2019 to August 4, 2024, and includes monthly lease payments of \$65.

During fiscal year 2021, the Regional Office leased three copiers. The lease term did not begin until the copiers were received. The lease term was August 17, 2022 to August 16, 2027, and includes quarterly lease payments of \$2,344.

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**NOTE 6 – LEASE COMMITMENTS (Concluded)**

During fiscal year 2024, the Regional Office leased two copiers. The lease term did not begin until the copiers were received. The lease term was November 2024 to October 2028 and includes monthly lease payments of \$189.

Rental expense for the year ended June 30, 2024 was \$206,029.

Future minimum rentals for the year ending June 30 are:

For the year ending June 30,	Amount
2025	\$ 51,709
2026	11,644
2027	11,644
2028	2,268
2029	756
Thereafter	-
Total	<u>\$ 78,021</u>

**NOTE 7 – DEFICIT FUND BALANCE/NET POSITION**

The following individual funds carried a deficit fund balance as of June 30, 2024:

American Rescue Plan – McKinney Vento Homeless Grant	\$ 129,584
Elementary and Secondary School Emergency Relief Grant	12,616
McKinney Education for Homeless Children	<u>113,195</u>
Totals	<u>\$ 255,395</u>

These deficit fund balances will be eliminated in fiscal year ending June 30, 2025 when the respective grant reimbursements are received. If grant funds are not received, the Regional Office will transfer unrestricted funding to cover the deficit.

**NOTE 8 – RISK MANAGEMENT**

The Regional Office of Education No. 3 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education No. 3 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

**SUPPLEMENTARY INFORMATION**

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES  
GENERAL FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2024

	General	County	EIU	Attendance Officer	Truant Alternative/ Optional Education EBF	Regional Safe Schools Program EBF	Tuition	Total
<b>Receipts</b>								
Local sources	\$ 115,585	\$ 230,012	\$ -	\$ 25,000	\$ -	\$ -	\$ 37,332	\$ 407,929
State sources	-	-	-	-	880,017	436,303	-	1,316,320
Other Income	-	-	-	-	71	-	-	71
Interest	168,483	-	-	-	-	-	-	168,483
Total Receipts	<u>284,068</u>	<u>230,012</u>	<u>-</u>	<u>25,000</u>	<u>880,088</u>	<u>436,303</u>	<u>37,332</u>	<u>1,892,803</u>
<b>Disbursements</b>								
Instructional services:								
Salaries and benefits	73,110	215,440	-	21,725	507,618	261,859	-	1,079,752
Purchased services	19,368	16,230	-	1,592	149,389	60,479	43,165	290,223
Supplies and materials	6,544	2,491	-	8	29,112	47,952	-	86,107
Capital outlay	39,254	-	-	-	2,521	2,817	-	44,592
Total Disbursements	<u>138,276</u>	<u>234,161</u>	<u>-</u>	<u>23,325</u>	<u>688,640</u>	<u>373,107</u>	<u>43,165</u>	<u>1,500,674</u>
Excess (Deficiency) of Receipts Over Disbursements	145,792	(4,149)	-	1,675	191,448	63,196	(5,833)	392,129
Cash Basis Fund Balance, Beginning of Year	177,291	43,770	12,826	24,965	882,013	484,699	73,542	1,699,106
Cash Basis Fund Balance, End of Year	<u>\$ 323,083</u>	<u>\$ 39,621</u>	<u>\$ 12,826</u>	<u>\$ 26,640</u>	<u>\$ 1,073,461</u>	<u>\$ 547,895</u>	<u>\$ 67,709</u>	<u>\$ 2,091,235</u>
<b>Cash Basis Assets - End of Year</b>								
Cash and Cash Equivalents	<u>\$ 323,083</u>	<u>\$ 39,621</u>	<u>\$ 12,826</u>	<u>\$ 26,640</u>	<u>\$ 1,073,461</u>	<u>\$ 547,895</u>	<u>\$ 67,709</u>	<u>\$ 2,091,235</u>
<b>Cash Basis Fund Balance - End of Year</b>								
Assigned								
Truant and Safe School operations	\$ -	\$ -	\$ -	\$ 26,640	\$ 1,073,461	\$ 547,895	\$ 67,709	\$ 1,715,705
Unassigned	323,083	39,621	12,826	-	-	-	-	375,530
Total Cash Basis Fund Balance	<u>\$ 323,083</u>	<u>\$ 39,621</u>	<u>\$ 12,826</u>	<u>\$ 26,640</u>	<u>\$ 1,073,461</u>	<u>\$ 547,895</u>	<u>\$ 67,709</u>	<u>\$ 2,091,235</u>

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2024

	Alternative Education Programs - Other	American Rescue Plan (ARP) - McKinney Vento Homeless Grant	Early Childhood Block Grant	Elementary and Secondary School Emergency Relief Grant
<b>Receipts</b>				
Local sources	\$ 9,503	\$ -	\$ -	\$ -
State sources	1,395	-	704,071	-
Federal sources	73,121	309,564	-	27,175
Total Receipts	<u>84,019</u>	<u>309,564</u>	<u>704,071</u>	<u>27,175</u>
<b>Disbursements</b>				
Instructional services:				
Salaries and benefits	-	2,031	408,492	8,549
Purchased services	77,240	8,390	98,222	-
Supplies and materials	8,528	285	79,519	368
Other objects	-	-	-	5,130
Intergovernmental:				
Payments to other governments	-	277,158	-	-
Capital outlay	-	26,323	10,101	-
Total Disbursements	<u>85,768</u>	<u>314,187</u>	<u>596,334</u>	<u>14,047</u>
Excess (Deficiency) of Receipts Over Disbursements	(1,749)	(4,623)	107,737	13,128
Cash Basis Fund Balance (Deficit), Beginning of Year	<u>52,768</u>	<u>(124,961)</u>	<u>-</u>	<u>(25,744)</u>
Cash Basis Fund Balance (Deficit), End of Year	<u>\$ 51,019</u>	<u>\$ (129,584)</u>	<u>\$ 107,737</u>	<u>\$ (12,616)</u>
<b>Cash Basis Assets - End of Year</b>				
Cash and Cash Equivalents	<u>\$ 51,019</u>	<u>\$ (129,584)</u>	<u>\$ 107,737</u>	<u>\$ (12,616)</u>
<b>Cash Basis Fund Balance (Deficit), End of Year</b>				
Restricted				
Education programs	\$ 51,019	\$ -	\$ 107,737	\$ -
Unassigned	<u>-</u>	<u>(129,584)</u>	<u>-</u>	<u>(12,616)</u>
Total Cash Basis Fund Balance (Deficit)	<u>\$ 51,019</u>	<u>\$ (129,584)</u>	<u>\$ 107,737</u>	<u>\$ (12,616)</u>

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2024

	McKinney Education for Homeless Children	Regional Safe Schools	ROE/ISC Operations	Truants Alternative/ Optional Education	Total
<b>Receipts</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 9,503
State sources	-	209,496	335,154	227,932	1,478,048
Federal sources	304,320	-	-	-	714,180
Total Receipts	<u>304,320</u>	<u>209,496</u>	<u>335,154</u>	<u>227,932</u>	<u>2,201,731</u>
<b>Disbursements</b>					
Instructional services:					
Salaries and benefits	150,680	180,416	289,684	213,542	1,253,394
Purchased services	20,017	16,646	35,485	10,335	266,335
Supplies and materials	13,295	-	-	-	101,995
Other objects	-	-	-	-	5,130
Intergovernmental:					
Payments to other governments	175,937	-	-	-	453,095
Capital outlay	1,898	-	-	-	38,322
Total Disbursements	<u>361,827</u>	<u>197,062</u>	<u>325,169</u>	<u>223,877</u>	<u>2,118,271</u>
<b>Excess (Deficiency) of Receipts</b>					
Over Disbursements	(57,507)	12,434	9,985	4,055	83,460
Cash Basis Fund Balance (Deficit), Beginning of Year	<u>(55,688)</u>	<u>3,671</u>	<u>10,363</u>	<u>15,461</u>	<u>(124,130)</u>
Cash Basis Fund Balance (Deficit), End of Year	<u>\$ (113,195)</u>	<u>\$ 16,105</u>	<u>\$ 20,348</u>	<u>\$ 19,516</u>	<u>\$ (40,670)</u>
<b>Cash Basis Assets - End of Year</b>					
Cash and Cash Equivalents	<u>\$ (113,195)</u>	<u>\$ 16,105</u>	<u>\$ 20,348</u>	<u>\$ 19,516</u>	<u>\$ (40,670)</u>
<b>Cash Basis Fund Balance (Deficit), End of Year</b>					
Restricted					
Education programs	\$ -	\$ 16,105	\$ 20,348	\$ 19,516	\$ 214,725
Unassigned	<u>(113,195)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(255,395)</u>
Total Cash Basis Fund Balance (Deficit)	<u>\$ (113,195)</u>	<u>\$ 16,105</u>	<u>\$ 20,348</u>	<u>\$ 19,516</u>	<u>\$ (40,670)</u>

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
EDUCATION FUND ACCOUNTS  
AMERICAN RESCUE PLAN (ARP) - MCKINNEY VENTO HOMELESS GRANT  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	
Receipts			
Federal sources	\$ 339,653	\$ 339,653	\$ 309,564
Total Receipts	<u>339,653</u>	<u>339,653</u>	<u>309,564</u>
Disbursements			
Instructional services:			
Salaries and benefits	-	2,030	2,031
Purchased services	9,580	9,230	8,390
Supplies and materials	3,653	2,650	285
Intergovernmental:			
Payments to other governments	299,420	299,420	277,158
Capital outlay	27,000	26,323	26,323
Total Disbursements	<u>339,653</u>	<u>339,653</u>	<u>314,187</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ -</u>	(4,623)
Cash Basis Fund Balance (Deficit) - Beginning of Year			<u>(124,961)</u>
Cash Basis Fund Balance (Deficit) - End of Year			<u>\$ (129,584)</u>

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
EDUCATION FUND ACCOUNTS  
EARLY CHILDHOOD BLOCK GRANT  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	
Receipts			
State sources	\$ 697,100	\$ 704,071	\$ 704,071
Total Receipts	<u>697,100</u>	<u>704,071</u>	<u>704,071</u>
Disbursements			
Instructional services:			
Salaries and benefits	507,732	489,808	408,492
Purchased services	103,725	105,106	98,222
Supplies and materials	77,143	94,157	79,519
Capital outlay	8,500	15,000	10,101
Total Disbursements	<u>697,100</u>	<u>704,071</u>	<u>596,334</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ -</u>	107,737
Cash Basis Fund Balance - Beginning of Year			<u>-</u>
Cash Basis Fund Balance - End of Year			<u>\$ 107,737</u>



BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
EDUCATION FUND ACCOUNTS  
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF GRANT  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	
Receipts			
Federal sources	\$ 26,339	\$ 26,339	\$ 27,175
Total Receipts	<u>26,339</u>	<u>26,339</u>	<u>27,175</u>
Disbursements			
Instructional services:			
Salaries and benefits	20,818	20,818	8,549
Supplies and materials	368	368	368
Other objects	5,153	5,153	5,130
Total Disbursements	<u>26,339</u>	<u>26,339</u>	<u>14,047</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ -</u>	13,128
Cash Basis Fund Balance (Deficit) - Beginning of Year			<u>(25,744)</u>
Cash Basis Fund Balance (Deficit) - End of Year			<u>\$ (12,616)</u>

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
EDUCATION FUND ACCOUNTS  
MCKINNEY EDUCATION FOR HOMELESS CHILDREN (2024-4920-00)  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	
Receipts			
Federal sources	\$ 340,356	\$ 428,033	\$ 198,120
Total Receipts	<u>340,356</u>	<u>428,033</u>	<u>198,120</u>
Disbursements			
Instructional services:			
Salaries and benefits	78,607	95,807	134,029
Purchased services	1,482	32,656	19,448
Supplies and materials	-	12,000	13,295
Intergovernmental:			
Payments to other governments	260,267	277,570	142,645
Capital outlay	-	10,000	1,898
Total Disbursements	<u>340,356</u>	<u>428,033</u>	<u>311,315</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ -</u>	(113,195)
Cash Basis Fund Balance - Beginning of Year			<u>-</u>
Cash Basis Fund Balance (Deficit) - End of Year			<u>\$ (113,195)</u>

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
EDUCATION FUND ACCOUNTS  
MCKINNEY EDUCATION FOR HOMELESS CHILDREN (2023-4920-RF)  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	
Receipts			
Federal sources	\$ 340,356	\$ 409,204	\$ 106,200
Total Receipts	<u>340,356</u>	<u>409,204</u>	<u>106,200</u>
Disbursements			
Instructional services:			
Salaries and benefits	56,246	72,880	16,651
Purchased services	15,072	8,072	569
Supplies and materials	13,000	72,214	-
Intergovernmental:			
Payments to other governments	255,267	255,267	33,292
Capital outlay	771	771	-
Total Disbursements	<u>340,356</u>	<u>409,204</u>	<u>50,512</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ -</u>	55,688
Cash Basis Fund Balance (Deficit) - Beginning of Year			<u>(55,688)</u>
Cash Basis Fund Balance - End of Year			<u>\$ -</u>

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	
Receipts			
State sources	\$ 78,901	\$ 209,496	\$ 209,496
Total Receipts	78,901	209,496	209,496
Disbursements			
Instructional services:			
Salaries and benefits	46,257	192,849	180,416
Purchased services	32,644	16,647	16,646
Total Disbursements	78,901	209,496	197,062
Excess (Deficiency) of Receipts Over Disbursements	\$ -	\$ -	12,434
Cash Basis Fund Balance - Beginning of Year			3,671
Cash Basis Fund Balance - End of Year			\$ 16,105

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
EDUCATION FUND ACCOUNTS  
ROE/ISC OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	
Receipts			
State sources	\$ 335,154	\$ 335,154	\$ 335,154
Total Receipts	<u>335,154</u>	<u>335,154</u>	<u>335,154</u>
Disbursements			
Instructional services:			
Salaries and benefits	299,669	299,669	289,684
Purchased services	35,485	35,485	35,485
Total Disbursements	<u>335,154</u>	<u>335,154</u>	<u>325,169</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ -</u>	9,985
Cash Basis Fund Balance - Beginning of Year			<u>10,363</u>
Cash Basis Fund Balance - End of Year			<u><u>\$ 20,348</u></u>

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
EDUCATION FUND ACCOUNTS  
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	
Receipts			
State sources	\$ 227,932	\$ 227,932	\$ 227,932
Total Receipts	<u>227,932</u>	<u>227,932</u>	<u>227,932</u>
Disbursements			
Instructional services:			
Salaries and benefits	217,597	217,597	213,542
Purchased services	10,335	10,335	10,335
Total Disbursements	<u>227,932</u>	<u>227,932</u>	<u>223,877</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ -</u>	<u>\$ -</u>	4,055
Cash Basis Fund Balance - Beginning of Year			<u>15,461</u>
Cash Basis Fund Balance - End of Year			<u>\$ 19,516</u>

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
COMBINING STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND CASH RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Institute	General Education Development	Bus Driver Training	Total
<b>Receipts</b>				
Local sources	\$ 28,276	\$ 4,334	\$ 12,744	\$ 45,354
State sources	-	-	17,876	17,876
Total Receipts	<u>28,276</u>	<u>4,334</u>	<u>30,620</u>	<u>63,230</u>
<b>Disbursements</b>				
Salaries and benefits	52,206	-	-	52,206
Purchased services	38,629	100	11,375	50,104
Supplies and materials	-	-	124	124
Total Disbursements	<u>90,835</u>	<u>100</u>	<u>11,499</u>	<u>102,434</u>
Excess (Deficiency) of Receipts Over Disbursements	(62,559)	4,234	19,121	(39,204)
Cash Basis Fund Balance - Beginning of Year	<u>197,502</u>	<u>56,787</u>	<u>37,159</u>	<u>291,448</u>
Cash Basis Fund Balance - End of Year	<u>\$ 134,943</u>	<u>\$ 61,021</u>	<u>\$ 56,280</u>	<u>\$ 252,244</u>
Cash Basis Assets - End of Year				
Cash and Cash Equivalents	<u>\$ 134,943</u>	<u>\$ 61,021</u>	<u>\$ 56,280</u>	<u>\$ 252,244</u>
Cash Basis Fund Balance - End of Year Restricted				
Teacher trainings and meetings	\$ 134,943	\$ -	\$ -	\$ 134,943
GED testing	-	61,021	-	61,021
Bus driver training	-	-	56,280	56,280
Total Cash Basis Fund Balance	<u>\$ 134,943</u>	<u>\$ 61,021</u>	<u>\$ 56,280</u>	<u>\$ 252,244</u>

BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>		<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<b>U.S. Department of Education</b>					
<b>Passed through Illinois State Board of Education</b>					
<b>Education for Homeless Children and Youth</b>					
McKinney Education for Homeless Children	(M)	84.196A	2024-4920-00	\$ 142,645	\$ 311,315
McKinney Education for Homeless Children	(M)	84.196A	2023-4920-RF	33,292	50,512
<b>Total Education for Homeless Children</b>				<u>175,937</u>	<u>361,827</u>
<b>Education Stabilization Fund</b>					
COVID-19 - Elementary and Secondary School Emergency Relief		84.425U	2024-4998-E3	-	14,047
COVID-19 - American Rescue Plan (ARP) - McKinney Vento Homeless Grant		84.425W	2024-4998-HM	277,158	314,187
<b>Total Education Stabilization Fund</b>				<u>277,158</u>	<u>328,234</u>
<b>Total U.S. Department of Education Passed through Illinois State Board of Education</b>				<u>453,095</u>	<u>690,061</u>
<b>U.S. Department of Agriculture</b>					
<b>Passed through Illinois State Board of Education</b>					
<b>Child Nutrition Cluster</b>					
National School Lunch		10.555	2023-4210-00	-	9,078
National School Lunch		10.555	2023-4210-BT	-	653
National School Lunch		10.555	2024-4210-00	-	47,513
<b>Total National School Lunch</b>				<u>-</u>	<u>57,244</u>
School Breakfast Program		10.553	2023-4220-00	-	2,260
School Breakfast Program		10.553	2024-4220-00	-	13,617
<b>Total School Breakfast Program</b>				<u>-</u>	<u>15,877</u>
<b>Total Child Nutrition Cluster</b>				<u>-</u>	<u>73,121</u>
<b>Total U.S. Department of Agriculture Passed through Illinois State Board of Education</b>				<u>-</u>	<u>73,121</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 453,095</u>	<u>\$ 763,182</u>

(M) Program was audited as a major program.



BOND, CHRISTIAN, EFFINGHAM, FAYETTE, AND MONTGOMERY COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 3  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2024

**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 Regional Office of Education No. 3 under programs of the federal government for the year ended June 30, 2024. 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. 3, 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. 3.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Expenditures are recognized when expended and follow 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. 3 has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.