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**STATE OF ILLINOIS**  
**Carroll, Jo Daviess, and Stephenson Counties**  
**REGIONAL OFFICE OF EDUCATION #8**

**FINANCIAL AUDIT**  
**For the Year Ended June 30, 2020**

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

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
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REGIONAL OFFICE OF EDUCATION #8  
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**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
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**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8**

**OFFICIALS**

Regional Superintendent  
(Current and during the audit period)

Honorable Aaron Mercier

Assistant Regional Superintendent  
(Current and during the audit period)

Jen Newendyke

Office is located at:

27 S. State Avenue, Suite 101  
Freeport, Illinois 61032

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8**

**FINANCIAL REPORT SUMMARY**

The financial 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 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	2
Repeated audit findings	1	2
Prior recommendations implemented or not repeated	1	0

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

**SUMMARY OF FINDINGS AND RESPONSES**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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**FINDINGS (*GOVERNMENT AUDITING STANDARDS*)**

2020-001	11-12	Controls Over Financial Statement Preparation	Material Weakness
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**PRIOR AUDIT FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)**

2019-002	14	Delay of Audit	Noncompliance
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**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8**

**FINANCIAL REPORT SUMMARY (CONTINUED)**

**EXIT CONFERENCE**

The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2020. Throughout the audit, meetings were held between auditors and Regional Office officials to discuss matters obtained in this report. Responses to the recommendations were provided by Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 on February 19, 2021.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed an unmodified opinion on Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic financial statements.



## INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

### **Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund - Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios, Illinois Municipal Retirement Fund - Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois - Schedule of the Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of the State of Illinois - Schedule of Employer Contributions, Teacher's Health Insurance Security Fund - Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability, Teacher's Health Insurance Security Fund - Schedule of Employer Contributions, and Health Insurance Plan - Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 16 through 26 and 81 through 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of

Disbursements to School District Treasurers and Other Entities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2021 on our consideration of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8'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 Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8'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 Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control over financial reporting and compliance.

**ORIGINAL SIGNATURE ON FILE**

Clinton, Iowa  
February 23, 2021

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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic financial statements, and have issued our report thereon dated February 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control. Accordingly, we do not express an opinion on the effectiveness of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8'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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2020-001 that we consider to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Regional Office of Education #8's Response to Finding

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's response was not subjected to the 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 Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

### **ORIGINAL SIGNATURE ON FILE**

Clinton, Iowa  
February 23, 2021

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2020**

**Section I: Summary of Auditors' Results:**

**Financial Statements in accordance with GAAP**

Type of auditors' report issued: \_\_\_\_\_ Unmodified \_\_\_\_\_

Internal control over financial reporting:

Material weakness(es) identified?	<u>  x  </u>	yes	<u>      </u>	no
Significant deficiency(ies) identified?	<u>      </u>	yes	<u>  x  </u>	none reported

Noncompliance material to financial statements noted?        yes   x   no

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2020**

**Section II: Financial Statement Findings:**

**FINDING 2020-001 - Controls Over Financial Statement Preparation (Repeat of findings 19-001, 18-001, 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1 and 10-1)**

**Criteria/Specific Requirement:**

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 (ROE) is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The ROE's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

**Condition:**

Regional Office of Education #8 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains control over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner.

During review of the ROE's financial information, it was noted the Regional Office did not have adequate controls to ensure financial statement balances were accurate. While the Regional Office did maintain records to indicate the balances of financial statement accounts, material audit adjustments were proposed in order to ensure those balances were accurate.

**Effect:**

Regional Office of Education #8's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner.

**Cause:**

The Regional Office of Education #8's management indicated they did not effectively detect all of the material adjustments needed in order to present financial statements in accordance with GAAP.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2020**

**Section II: Financial Statement Findings:**

**FINDING 2020-001 - Controls Over Financial Statement Preparation (Repeat of findings 19-001, 18-001, 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1 and 10-1) (Continued)**

**Auditors' recommendation:**

As part of internal control over the preparation of financial statements, including disclosures, Regional Office of Education #8 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the ROE's activities and operations.

**Management's Response:**

The Regional Office of Education understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The ROE 8 has contracted with an outside company to prepare financial statements in accordance with GAAP. We will continue to work on our internal procedures and with our financial report preparer to improve our accuracy in reporting.



**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDING  
Year Ended June 30, 2020**

**FINDING 2020-001 - Controls Over Financial Statement Preparation (Repeat of findings 19-001, 18-001, 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1 and 10-1)**

**Condition:**

Regional Office of Education #8 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains control over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner.

During review of the ROE's financial information, it was noted the Regional Office did not have adequate controls to ensure financial statement balances were accurate. While the Regional Office did maintain records to indicate the balances of financial statement accounts, material audit adjustments were proposed in order to ensure those balances were accurate.

**Plan:**

The Regional Office of Education understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The ROE has contracted with an outside company to prepare financial statements in accordance with GAAP. We will continue to work on our internal procedures and with our financial report preparer to improve our accuracy in reporting.

**Anticipated Completion Date:**

Ongoing

**Contact Person Responsible for Corrective Action:**

Regional Superintendent, Aaron Mercier, Carroll, Jo Daviess, and Stephenson Counties  
Regional Office of Education #8

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED  
Year Ended June 30, 2020**

2019-002

Delay of Audit

Noncompliance

For the June 30, 2020 financial audit, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 provided draft financial statements and supporting documents to auditors prior to the August 31, 2020 due date.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2020. We encourage readers to consider this information in conjunction with Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial statements, which follow.

**2020 Financial Highlights**

- General Fund revenues decreased from \$2,141,363 in fiscal year 2019 to 2,018,812 in fiscal year 2020. General Fund expenditures increased from \$1,831,973 in fiscal year 2019 to \$1,934,338 in fiscal year 2020. The decrease in revenue was mostly attributed to decreased reimbursements from other entities for administration and accounting for miscellaneous grants and programs. The increases were mostly attributed to increases in expenditures for ROE Programs and Services and Special Services.
- Education Fund revenues decreased from \$3,820,173 in fiscal year 2019 to \$3,640,123 in fiscal year 2020. Expenditures also decreased from \$3,662,061 in fiscal year 2019 to \$3,632,449 in fiscal year 2020. The Education fund is made up of grants the Regional Office receives and this can vary greatly from year to year as some programs are discontinued while others see a funding increase.
- Enterprise Fund revenues decreased from \$109,789 in fiscal year 2019 to \$105,234 in fiscal year 2020. Enterprise Fund expenses also decreased from \$94,409 in fiscal year 2019 to \$89,072 in fiscal year 2020. The decreases in revenue were primarily due to a reduction in the number of graduate classes offered, along with reduced registration fees collected as other grant funds were utilized to help cover costs of providing professional development. The decreases in expenses are a direct offset of fewer graduate class fees due and fewer workshops/classes held, which also reduced salary, benefit and direct expenses to provide workshops/classes.
- Government-wide revenues increased by 1% from \$6,523,973 in fiscal year 2019 to \$6,619,380 in fiscal year 2020. Government-wide expenses decreased by 1% from \$6,583,297 in fiscal year 2019 to \$6,548,143 in fiscal year 2020.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial activities.

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 as a whole and present an overall view of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's finances.

The fund financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. The fund financial statements report Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's operations in more detail than the government-wide statements by providing information that is needed for a full understanding of the data provided in the basic financial statements. The remaining statements provide financial information about activities for which Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 acts solely as an agent or custodian for the benefit of those outside of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8.

Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with information about Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's pension liability, proportionate share of net pension liability and relating contributions. It also includes information about post-employment benefits other than pensions.

Supplementary Information provides detailed information about the major and nonmajor funds.

Figure A-1 summarizes the major features of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial statements, including the portion of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's activities they cover and the types of information they contain.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #8**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

*Figure A-1  
Major Features of the Government-wide and Fund Financial Statements*

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Regional Office of Education #8 (except fiduciary funds)	The activities of Regional Office of Education #8 that are not proprietary or fiduciary, such as grants and statutory funds	Activities Regional Office of Education #8 operates similar to private businesses: workshops	Instances in which Regional Office of Education #8 administers resources on behalf of someone else, such as the distributive fund and Parriott Scholarship Trusts
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses, and Changes in Fund Net Position</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary net Position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
Type of deferred outflow/inflow information	Consumption/ acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of fund balance that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future period	Consumption/ acquisition of net position that is applicable to a future reporting period
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**REPORTING CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES REGIONAL  
OFFICE OF EDUCATION #8'S FINANCIAL ACTIVITIES**

***Government-wide Financial Statements***

The government-wide financial statements report information about Carroll, Jo Daviess, and Stephenson Counties #8 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of Carroll, Jo Daviess, and Stephenson Counties #8's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net position and how it has changed. Net position - the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources - is one way to measure Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial health or financial position. Over time, increases or decreases in net position can be an indicator of whether financial position is improving or deteriorating. To assess Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's overall condition, additional non-financial factors, such as grant funding, the condition of facilities, and new laws, rules, regulations, and actions by officials at the State level need to be considered.

In the government-wide financial statements, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's activities are divided into two categories:

- 1) *Governmental activities*: Most of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic services are included here, such as grants and statutory funds. Federal and state grant proceeds finance most of these activities.
- 2) *Business-type activities*: Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 charges fees to help cover the costs of certain services it provides. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's workshops are included here.

***Fund Financial Statements***

The fund financial statements provide more detailed information about Carroll, Jo Daviess, and Stephenson Counties #8's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 established other funds to control and manage money for particular purposes.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 has three kinds of funds:

- 1) *Governmental funds*: Most of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's programs.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's governmental funds include the General Fund and Special Revenue Funds.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.

- 2) *Proprietary funds*: Services for which Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's Enterprise Fund, one type of proprietary fund, is the same as its business-type activities, but provides more detail and additional information, such as cash flows. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 currently has one Enterprise Fund, the Workshops fund.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.

- 3) *Fiduciary funds*: Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 is the trustee for assets that belong to others. These funds include Private Purpose Trust Funds and Agency Funds.

- Private Purpose Trust Funds - These are funds that exist to account for the E.H. Parriott Scholarship Trust Principal and Income that provide scholarships for individual students.



**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

- Agency Funds - These are funds through which Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 administers and accounts for certain federal and/or state grants on behalf of others.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve when examined over time as one indicator of the financial position of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8. The net position at the end of fiscal year 2020 and 2019 totaled \$(474,877) and \$(546,114) respectively. The analysis that follows provides a summary of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net position as of June 30.

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current assets	\$ 2,664,400	\$ 161,022	\$ 2,825,422	\$ 3,191,799	\$ 156,489	\$ 3,348,288
Non-current assets	61,588	509	62,097	24,072	1,273	25,345
Total assets	2,725,988	161,531	2,887,519	3,215,871	157,762	3,373,633
Deferred outflows of resources	788,763	–	788,763	1,501,960	–	1,501,960
Current liabilities	1,010,246	109	1,010,355	1,609,226	12,502	1,621,728
Non-current liabilities	1,371,808	–	1,371,808	1,994,138	–	1,994,138
Total liabilities	2,382,054	109	2,382,163	3,603,364	12,502	3,615,866
Deferred inflows of resources	1,768,996	–	1,768,996	1,805,841	–	1,805,841
Net position						
Net investment in capital assets	45,341	509	45,850	24,072	1,273	25,345
Unrestricted	(815,674)	160,913	(654,761)	(806,556)	143,987	(662,569)
Restricted - other	134,034	–	134,034	91,110	–	91,110
<b>Total net position</b>	<b>\$ (636,299)</b>	<b>\$ 161,422</b>	<b>\$ (474,877)</b>	<b>\$ (691,374)</b>	<b>\$ 145,260</b>	<b>\$ (546,114)</b>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net position increased by \$71,237 (13%) from fiscal year 2019. Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. Unrestricted net position was \$(654,761) for the year ended June 30, 2020. The net position related to the Education Fund and Nonmajor Special Revenue Funds are restricted for educational purposes.

**Changes in net position.** The following shows the changes in net position for the years ended June 30, 2020 and 2019.

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 24,025	\$ 105,234	\$ 129,259	\$ 29,119	\$ 109,789	\$ 138,908
Operating grants and contributions	3,641,420	—	3,641,420	3,662,351	—	3,662,351
General revenues:						
Local sources	1,160,486	—	1,160,486	1,131,623	—	1,131,623
State sources	562,437	—	562,437	509,896	—	509,896
On-behalf payments	1,125,778	—	1,125,778	1,081,195	—	1,081,195
Total revenues	<u>6,514,146</u>	<u>105,234</u>	<u>6,619,380</u>	<u>6,414,184</u>	<u>109,789</u>	<u>6,523,973</u>
<b>Expenses:</b>						
Education:						
Salaries and benefits	2,621,807	50,291	2,672,098	2,530,269	54,047	2,584,316
Pension expense	165,832	—	165,832	241,625	—	241,625
OPEB expense	14,067	—	14,067	76,967	—	76,967
Purchased services	735,156	36,770	771,926	823,333	35,615	858,948
Supplies and materials	119,354	1,247	120,601	85,698	3,983	89,681
Other objects	140,841	—	140,841	87,097	—	87,097
Capital outlay	24,766	—	24,766	57,542	—	57,542
Depreciation	14,290	764	15,054	10,690	764	11,454
Intergovernmental						
Payments to other governments	1,497,180	—	1,497,180	1,494,472	—	1,494,472
Administrative						
On-behalf payments	1,125,778	—	1,125,778	1,081,195	—	1,081,195
Total expenses	<u>6,459,071</u>	<u>89,072</u>	<u>6,548,143</u>	<u>6,488,888</u>	<u>94,409</u>	<u>6,583,297</u>
<b>Change in net position</b>	55,075	16,162	71,237	(74,704)	15,380	(59,324)
<b>Net position, beginning</b>	<u>(691,374)</u>	<u>145,260</u>	<u>(546,114)</u>	<u>(616,670)</u>	<u>129,880</u>	<u>(486,790)</u>
<b>Net position, ending</b>	<u>\$ (636,299)</u>	<u>\$ 161,422</u>	<u>\$ (474,877)</u>	<u>\$ (691,374)</u>	<u>\$ 145,260</u>	<u>\$ (546,114)</u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**Governmental Activities**

Revenues for governmental activities were \$6,514,146 and \$6,414,184 and expenses were \$6,459,071 and \$6,488,888 for 2020 and 2019, respectively. The increase in revenues (\$99,962 or 2%) was due to increase in the ROE's share of TRS expense paid by ISBE on behalf of the ROE in fiscal year 2020. The decrease in expenses (\$29,817 or less than 1%) was mainly due to the decrease in pension and OPEB expense.

The following tables present the cost of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's functional governmental activities. The tables also show each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's residents by each of these functions.

	<u>2020</u>		<u>2019</u>	
	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Education:				
Salaries and benefits	\$ 2,621,807	\$ (1,411,493)	\$ 2,530,269	\$ (1,336,074)
Pension expense	165,832	(88,449)	241,625	(186,544)
OPEB expense	14,067	(14,067)	76,967	(76,967)
Purchased services	735,156	(113,389)	823,333	(87,918)
Supplies and materials	119,354	(34,784)	85,698	(28,142)
Other objects	140,841	(9,750)	87,097	(13,850)
Capital outlay	24,766	11,648	57,542	16,870
Depreciation	14,290	(14,290)	10,690	(10,690)
Payments to other governments	1,497,180	6,726	1,494,472	7,092
On-behalf payments	1,125,778	(1,125,778)	1,081,195	(1,081,195)
<b>Total expenses</b>	<u>\$ 6,459,071</u>	<u>\$ (2,793,626)</u>	<u>\$ 6,488,888</u>	<u>\$ (2,797,418)</u>

- The cost of all governmental activities was \$6,459,071 and \$6,488,888 for 2020 and 2019, respectively.
- Federal and state governments subsidized certain governmental activities with grants and contributions of \$3,641,420 and of \$3,662,351 for 2020 and 2019, respectively.

Net cost of governmental activities \$(2,793,626), was financed by general revenues, which are made up of primarily local sources \$(1,160,486), state sources \$(562,437), and on-behalf payments \$(1,125,778) for 2020.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

Net cost of governmental activities \$(2,797,418), was financed by general revenues, which are made up of primarily local sources \$(1,131,623), state sources \$(509,896), and on-behalf payments \$(1,081,195) for 2019.

**Business-Type Activities**

Revenues for business-type activities were \$105,234 and \$109,789 and expenses were \$89,072 and \$94,409 for 2020 and 2019, respectively. The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's business-type activities include the Workshops Fund. For the business-type activities, revenues are comprised of charges for services.

**INDIVIDUAL FUND ANALYSIS**

As previously noted, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's governmental funds reported combined fund balances of \$1,674,146, above last year's ending fund balances of \$1,571,204.

**Governmental Fund Highlights**

The General Fund fund balance increased from \$1,480,094 in 2019 to \$1,556,359 in 2020. The increase in fund balance was mostly attributable to increased activity for administration and accounting for miscellaneous grants and programs.

The Education Fund fund balance increased from \$11,627 in 2019 to \$19,601 in 2020. The Education Fund is primarily made up of grants Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 receives and this can vary greatly from year to year as some programs are decreased or discontinued while others see a funding increase.

**Proprietary Fund Highlights**

The Workshops Fund net position increased from \$145,260 at June 30, 2019, to \$161,422 at June 30, 2020, representing an increase of approximately 11%. The Workshops Fund's assets are primarily made up of funds Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 receives and expends in providing for credit college course work and workshops for professional development. Net position fluctuates with the number of professional learning opportunities which were provided and participants interested in attending.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**Fiduciary Fund Highlights**

Private Purpose Trusts' net position slightly decreased from \$1,940,487 at June 30, 2019 to \$1,904,265 at June 30, 2020, representing a decrease of 2%. The Private Purpose Trust Funds include assets held under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

In the Agency Funds, total assets and liabilities decreased from \$537,368 in fiscal year 2019 to \$467,445 in fiscal year 2020. The decrease is mostly attributable to decreased school facility occupation tax collections and disbursements. Transactions during fiscal year 2020 represent mainly transfers in and out of funds for the distributive funds.

**BUDGETARY HIGHLIGHTS**

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 is not required to create a budget for overall operations. It is required to prepare budgets for most of the grants it receives. Over the course of the year, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 amended some of the grant budgets within the Education Fund. Budgets for grant programs are adjusted because of an increase or decrease in funding due to changes at the State level or to better allocate funds received to meet the needs of the program.

**CAPITAL ASSETS**

As of June 30, 2020, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 had invested \$45,850 in capital assets of equipment. Total depreciation expense for the year was \$15,054.

The following schedules present capital asset balances net of depreciation for the fiscal years ended June 30, 2020 and 2019.

	<b>2020</b>	<b>2019</b>
<b>Governmental Activities:</b>		
Furniture and equipment	\$ 45,341	\$ 24,072
<b>Business-type Activities:</b>		
Furniture and equipment	509	1,273
Total	\$ 45,850	\$ 25,345

Additional information on Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's capital assets can be found in Note 3 on page 52 of this report.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**ECONOMIC FACTORS BEARING ON CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES REGIONAL OFFICE OF EDUCATION #8'S FUTURE**

At the time these financial statements were prepared and audited, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 was aware of several existing circumstances that could significantly affect its financial health in the future. A substantial portion of the Regional Office funding comes from State grants funded programs. From year to year, the Regional Office does not know until the State budget is finalized whether a program will be funded or at what level. The economic impact of the COVID-19 shutdown could have an adverse effect on State revenue and subsequently grant budgets may be impacted.

A portion of the base operational dollars for Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 comes directly from the three counties, there is the potential of reduced, prorated or eliminated funding in fiscal year 2021 from county sources if their budgets are negatively impacted. A potential increase in the cost of benefits, supplies, and equipment would have an impact on our cost of operating but would be difficult to predict at this time.

**CONTACTING CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES REGIONAL OFFICE OF EDUCATION #8'S FINANCIAL MANAGEMENT**

This financial report is designed to provide Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's citizens, taxpayers, customers, and creditors with a general overview of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's finances and to demonstrate Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, 27 S. State Avenue, Freeport, Illinois 61032.

## **BASIC FINANCIAL STATEMENTS**

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

**EXHIBIT A**

	<b>Primary Government</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,090,569	\$ 148,779	\$ 2,239,348
Accounts receivable	189	-	189
Due from other governments	573,642	12,243	585,885
Total current assets	<u>2,664,400</u>	<u>161,022</u>	<u>2,825,422</u>
Non-current assets:			
Capital assets, net of depreciation	45,341	509	45,850
Net pension asset	16,247	-	16,247
Total non-current assets	<u>61,588</u>	<u>509</u>	<u>62,097</u>
<b>TOTAL ASSETS</b>	<u>2,725,988</u>	<u>161,531</u>	<u>2,887,519</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	675,844	-	675,844
Deferred outflows related to OPEB	112,919	-	112,919
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>788,763</u>	<u>-</u>	<u>788,763</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	677,003	109	677,112
Due to other governments	115,373	-	115,373
Compensated absences	22,054	-	22,054
Unearned revenue	195,816	-	195,816
Total current liabilities	<u>1,010,246</u>	<u>109</u>	<u>1,010,355</u>
Non-current liabilities:			
Net pension liability	100,262	-	100,262
OPEB liabilities	1,271,546	-	1,271,546
Total non-current liabilities	<u>1,371,808</u>	<u>-</u>	<u>1,371,808</u>
<b>TOTAL LIABILITIES</b>	<u>2,382,054</u>	<u>109</u>	<u>2,382,163</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	1,413,665	-	1,413,665
Deferred inflows related to OPEB	355,331	-	355,331
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,768,996</u>	<u>-</u>	<u>1,768,996</u>
<b>NET POSITION</b>			
Net investment in capital assets	45,341	509	45,850
Restricted for educational purposes	134,034	-	134,034
Unrestricted	(815,674)	160,913	(654,761)
<b>TOTAL NET POSITION</b>	<u>\$ (636,299)</u>	<u>\$ 161,422</u>	<u>\$ (474,877)</u>



CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #8  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT B

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
<b>Primary government:</b>						
<b>Governmental activities:</b>						
Instructional services:						
Salaries and benefits	\$ 2,621,807	\$ 15,928	\$ 1,194,386	\$ (1,411,493)	\$ -	\$ (1,411,493)
Pension expense	165,832	913	76,470	(88,449)	-	(88,449)
OPEB expense	14,067	-	-	(14,067)	-	(14,067)
Purchased services	735,156	6,367	615,400	(113,389)	-	(113,389)
Supplies and materials	119,354	817	83,753	(34,784)	-	(34,784)
Other objects	140,841	-	131,091	(9,750)	-	(9,750)
Capital outlay	24,766	-	36,414	11,648	-	11,648
Depreciation	14,290	-	-	(14,290)	-	(14,290)
Intergovernmental:						
Payments to other governments	1,497,180	-	1,503,906	6,726	-	6,726
Administrative:						
On-behalf payments	1,125,778	-	-	(1,125,778)	-	(1,125,778)
<b>Total governmental activities</b>	<b>6,459,071</b>	<b>24,025</b>	<b>3,641,420</b>	<b>(2,793,626)</b>	<b>-</b>	<b>(2,793,626)</b>
<b>Business-type activities:</b>						
Professional development	89,072	105,234	-	-	16,162	16,162
<b>Total primary government</b>	<b>\$ 6,548,143</b>	<b>\$ 129,259</b>	<b>\$ 3,641,420</b>	<b>(2,793,626)</b>	<b>16,162</b>	<b>(2,777,464)</b>
General revenues:						
Local sources				1,160,486	-	1,160,486
State sources				562,437	-	562,437
On-behalf payments				1,125,778	-	1,125,778
Total general revenues				2,848,701	-	2,848,701
<b>CHANGE IN NET POSITION</b>				<b>55,075</b>	<b>16,162</b>	<b>71,237</b>
<b>NET POSITION, BEGINNING OF YEAR</b>				<b>(691,374)</b>	<b>145,260</b>	<b>(546,114)</b>
<b>NET POSITION, END OF YEAR</b>				<b>\$ (636,299)</b>	<b>\$ 161,422</b>	<b>\$ (474,877)</b>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #8  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 JUNE 30, 2020**

**EXHIBIT C**

	<u>Special Revenue Funds</u>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Education Fund</b>	<b>Other Nonmajor Funds</b>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,219,275	\$ 773,280	\$ 98,014	\$ 2,090,569
Accounts receivable	189	-	-	189
Due from other governments	389,040	184,182	420	573,642
Due from other funds	167,732	-	-	167,732
<b>TOTAL ASSETS</b>	<b>1,776,236</b>	<b>957,462</b>	<b>98,434</b>	<b>2,832,132</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
None	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,776,236</b>	<b>\$ 957,462</b>	<b>\$ 98,434</b>	<b>\$ 2,832,132</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 194,781	\$ 481,974	\$ 248	\$ 677,003
Due to other governments	-	115,373	-	115,373
Due to other funds	22,367	145,365	-	167,732
Unearned revenue	667	195,149	-	195,816
<b>TOTAL LIABILITIES</b>	<b>217,815</b>	<b>937,861</b>	<b>248</b>	<b>1,155,924</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	2,062	-	-	2,062
<b>FUND BALANCES</b>				
Restricted	-	19,601	98,186	117,787
Unassigned	1,556,359	-	-	1,556,359
<b>TOTAL FUND BALANCES</b>	<b>1,556,359</b>	<b>19,601</b>	<b>98,186</b>	<b>1,674,146</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,776,236</b>	<b>\$ 957,462</b>	<b>\$ 98,434</b>	<b>\$ 2,832,132</b>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020**

**EXHIBIT D**

<b>Total fund balance of governmental funds</b>			\$ 1,674,146
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			45,341
Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are considered "unavailable" and are deferred inflows of resources in the governmental funds.			2,062
Non-current assets related to pension benefits are collected but are not payable in the current period and, therefore, are not reported in the governmental funds. Net pension asset			16,247
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:			
Deferred outflows of resources related to pensions	\$ 675,844		
Deferred outflows of resources related to OPEB	112,919		
Deferred inflows of resources related to pensions	(1,413,665)		
Deferred inflows of resources related to OPEB	<u>(355,331)</u>		(980,233)
Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Compensated absences Net pension liability OPEB liabilities		(22,054) (100,262) <u>(1,271,546)</u>	  <u>(1,393,862)</u>
<b>Net position of governmental activities</b>			<b>\$ <u>(636,299)</u></b>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020**

**EXHIBIT E**

	<u>Special Revenue Funds</u>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Education Fund</b>	<b>Other Nonmajor Funds</b>	
<b>REVENUES:</b>				
Local sources	\$ 1,169,793	\$ 2,594	\$ 24,025	\$ 1,196,412
State sources	562,437	3,527,335	1,297	4,091,069
Federal sources	-	110,194	-	110,194
On-behalf payments	286,582	-	-	286,582
Total revenues	<u>2,018,812</u>	<u>3,640,123</u>	<u>25,322</u>	<u>5,684,257</u>
<b>EXPENDITURES:</b>				
Instructional services:				
Salaries and benefits	1,412,840	1,188,816	9,632	2,611,288
Pension expense	43,988	77,305	547	121,840
OPEB expense	7,398	1,351	-	8,749
Purchased services	117,243	614,064	3,849	735,156
Supplies and materials	33,737	85,117	500	119,354
Other objects	9,357	131,484	-	140,841
Intergovernmental:				
Payments to other governments	-	1,497,180	-	1,497,180
Administrative				
On-behalf payments	286,582	-	-	286,582
Capital outlay	23,193	37,132	-	60,325
Total expenditures	<u>1,934,338</u>	<u>3,632,449</u>	<u>14,528</u>	<u>5,581,315</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>84,474</u>	<u>7,674</u>	<u>10,794</u>	<u>102,942</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	285,328	792	7,909	294,029
Transfers out	(293,537)	(492)	-	(294,029)
Total other financing sources (uses)	<u>(8,209)</u>	<u>300</u>	<u>7,909</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	76,265	7,974	18,703	102,942
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>1,480,094</u>	<u>11,627</u>	<u>79,483</u>	<u>1,571,204</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,556,359</u>	<u>\$ 19,601</u>	<u>\$ 98,186</u>	<u>\$ 1,674,146</u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

**EXHIBIT F**

**Net change in fund balance** \$ 102,942

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

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

Capital outlay	\$ 35,559	
Depreciation	(14,290)	21,269
	<hr/>	

Some receivables will not be collected for several months  
after fiscal year end, so they are not considered  
as "available" revenues in the governmental funds,  
and they are instead counted as deferred inflows of resources.  
They are however, recorded as revenues in the  
Statement of Activities.

(9,307)

The current year pension contributions are reported as  
expenditures in the governmental funds, but are reported  
as deferred outflows of resources in the Statement of Net Position.

Pension contributions	74,880	
OPEB contributions	8,749	83,629
	<hr/>	

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

Compensated absences	(13,695)	
Pension expense	(118,872)	
OPEB expense	(14,067)	
OPEB expense-implicit rate subsidy	3,176	(143,458)
	<hr/>	<hr/>

**Change in net position of governmental activities** \$ 55,075

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #8  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2020**

**EXHIBIT G**

	<b>Business-Type Activities Enterprise Fund Workshops</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 148,779
Due from other governments	12,243
Total current assets	<u>161,022</u>
Non-current assets:	
Capital assets, net of depreciation	<u>509</u>
<b>TOTAL ASSETS</b>	<u>161,531</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
None	<u>-</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued expenses	<u>109</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
None	<u>-</u>
<b>NET POSITION</b>	
Net investment in capital assets	509
Unrestricted	<u>160,913</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 161,422</u></u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #8  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2020**

**EXHIBIT H**

	<b>Business-Type Activities Enterprise Fund <u>Workshops</u></b>
<b>OPERATING REVENUES:</b>	
Charges for services	\$ <u>105,234</u>
<b>OPERATING EXPENSES:</b>	
Salaries	45,136
Benefits	5,155
Purchased services	36,770
Supplies and materials	1,247
Depreciation	764
Total operating expenses	<u>89,072</u>
<b>CHANGE IN NET POSITION</b>	16,162
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>145,260</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 161,422</u></u>





**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #8  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2020**

**EXHIBIT J**

	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 81,093	\$ 75,984
Investments	1,165,839	-
Rent receivable	4,900	-
Due from other governments	-	391,461
Property and equipment, net	704,865	-
Total assets	<u>1,956,697</u>	<u>467,445</u>
<b>LIABILITIES</b>		
Accrued expenses	30,898	-
Due to other governments	-	467,445
Deposits	2,000	-
Unearned revenue	19,534	-
Total liabilities	<u>52,432</u>	<u>467,445</u>
<b>NET POSITION</b>		
Held in trust for other purposes	<u>\$ 1,904,265</u>	<u>\$ -</u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
PRIVATE PURPOSE TRUST FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020**

**EXHIBIT K**

	<b>Private Purpose Trust Funds</b>
<b>ADDITIONS:</b>	
Rent	\$ 154,268
Interest and dividends	32,173
Realized gain on investments	759
Unrealized gain on investments	12,631
Total additions	<u>199,831</u>
<b>DEDUCTIONS:</b>	
Purchased services	64,474
Scholarships	170,500
Depreciation	1,079
Total deductions	<u>236,053</u>
<b>DEFICIENCY OF ADDITIONS OVER DEDUCTIONS</b>	(36,222)
<b>OTHER FINANCING SOURCES (USES):</b>	
Transfers in	171,708
Transfers out	(171,708)
Total other financing sources (uses)	<u>-</u>
<b>CHANGE IN NET POSITION</b>	(36,222)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>1,940,487</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 1,904,265</u></u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**Reporting Entity**

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 (ROE) is an entity that is a result of an Education Service Region becoming a Regional Office of Education as of August 7, 1995. The ROE operates under the School Code (105 ILCS 5/3 and 5/3A). The ROE encompasses Carroll, Jo Daviess, and Stephenson Counties in Illinois. A Regional Superintendent of Schools serves as chief administrative officer and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The functions of the ROE include, but are not limited to the following:

- Processing teachers' licenses
- Teaching initial and refresher classes for school bus drivers within the ROE
- Reviewing life/safety requirements for schools in conjunction with the State of Illinois
- Issuing newsletters regarding new Illinois life/safety requirements
- Monitoring compliance with State laws and the Department of Education's policies and procedures
- Providing directions to teachers and school officials on science, art and teaching methods
- Implementing the State Board of Education's Policy Programs
- Encouraging camaraderie among teachers through the teachers' institute

The ROE's reporting entity includes all related organizations for which Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 exercises oversight responsibility.

The Superintendent has developed criteria to determine whether outside agencies with activities which benefit the citizens served by the ROE should be included within its financial reporting entity. The criteria includes, but is not limited to whether the Superintendent (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability or fiscal matters (i.e., financial budget approval, management of assets, etc.). The Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the financial statements.

In addition, the Superintendent is not aware of any entity which would exercise such oversight which would result in the ROE being considered a component unit of the entity. The ROE is the Administrative Agent for two joint agreements - the Jo Daviess-Carroll Area Vocational Center

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #8**  
**NOTES TO FINANCIAL STATEMENTS**  
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and the Eagle Ridge Vocational System. These joint agreements are not considered part of the ROE's GAAP reporting entity and are not included in these financial statements.

The Jo Daviess-Carroll Area Vocational Center provides advanced vocational training to high school juniors and seniors and adults seeking retraining.

The Eagle Ridge Vocational Delivery System includes all the Jo Daviess County school districts and the West Carroll school districts in Carroll County. It allocates State vocational funding among member districts and updates vocational programs into sequential programs leading to marketable skills. The Delivery System reimburses the ROE for certain administrative costs.

**Basis of Presentation**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the ROE that are governmental in nature and those that are considered business-type activities. Governmental activities normally are supported by operating grants and contributions, charges for services and intergovernmental revenues. Business-type activities normally are supported by amounts assessed or received from local sources for the ROE's programs.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to users who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Fund Accounting**

The accounts of the ROE are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures. The resources allocated to and accounted for in individual funds are based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #8**  
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summarized by type in the basic financial statements. The following summarizes the fund types used:

Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balances of the expendable financial resources and the related current liabilities are accounted for through governmental funds.

General Fund - accounts for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted for in another fund. The general fund is the operating fund of the ROE and is accounted and reported for as a major governmental fund in the financial statements. The following are included in the general fund:

Counties Support - used to account for monies received for, and payment of, expenditures in connection with general administration activities. The source of these monies is from the three county boards for which the ROE serves.

ROE Programs and Services - an intergovernmental agreement used to provide services and programs such as criminal background investigations on substitute teachers and centralized scoring of standardized tests. This Intergovernmental Agreement is also used as an umbrella organization for grants and cooperative bidding.

Medical Reimbursement - collection of payroll deductions from participating employees. The Regional Superintendent is responsible for reimbursing the cost of employee's medical expenses.

Special Services - used to account for various miscellaneous expenditures as approved by the ROE. Revenues are primarily derived from interest earnings or invested cash and reimbursements from other entities for administration and accounting for miscellaneous grants and programs.

Special Revenue Funds - accounts and reports for the proceeds of specific revenue sources (other than those accounted for in the Fiduciary Funds) that are restricted to expenditures for specified purposes. The ROE reports the following special revenue funds as major governmental funds:

Education Fund - accounts and reports for the proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specific purposes supporting education enhancement programs as follows:

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #8**  
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Truants' Alternative/Optional Education - used to account for grant monies received for, and payment of, expenses of the Truants' Alternative Program.

Early Childhood Block Grants - used to account for grant monies received for, and payment of, expenses for developing and operating programs for parents of young children.

Early Intervention Infants/Toddlers - used to account for grant monies received for and payment of, expenses for an early intervention program for special needs children. Program is also called Community Access Point/System Point of Entry (CAP/SPOE).

Regional Safe Schools - used to account for grant monies received for, and payment of, alternative programs for disruptive youths in grades 6-12.

Hearing and Vision Grant - used to account for grant monies received for, and payment of, expenses for conducting hearing and vision screenings for preschool children.

ROE/ISC Operations - used to account for grant monies received for, and payment of, assisting schools in all areas of school improvement.

Workforce Investment Act - used to account for grant monies received for, and payment of expenditures incurred to provide financial and technical assistance to qualified recipients in order to support workforce investment activities.

McKinney Homeless Grant - used to ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children.

Title II - Teacher Quality - Leadership Program - used to account for grant monies received, and expenditures incurred to support, programs associated with assisting new teachers.

Child Nutrition - used to account for student payments and ISBE funds received, and payment of expenses, for food services for the Recreation Afterschool Program.

System of Statewide Support Foundational Service - used to account for grant monies received for, and payment of expenses, under the Statewide System of Support Foundational Services Grant Program.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #8**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

Nonmajor Special Revenue Funds - The ROE reported the following special revenue funds as nonmajor governmental funds:

General Educational Development - used to account for resources accumulated for, and payment of, expenses of administering the General Educational Development test. Statute requires excess funds accumulated for periods exceeding three years to be transferred into the Institute Fund.

Bus Driver - used to account for resources accumulated for, and payment of, expenses of issuing school bus driver permits and administering school bus driver training.

Institute - used to account for resources accumulated for, and payment of, expenses of administering teachers' institutes, workshops, and meetings. All funds generated remain restricted until expended only on the aforementioned activities.

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

Workshops - used to account for workshops associated with various grant programs.

Fiduciary Funds are used to account for assets held in a trustee capacity or as an agent for individuals or private or governmental organizations. The Fiduciary Funds include the following:

Private Purpose Trust Funds - used to account for assets held by the ROE under trust agreements which require income earned to be used to benefit individuals through scholarship awards. The ROE private-purpose trust funds include the following:

E.H. Parriott Scholarship Trust Principal Fund - used to maintain the trust principal. Income is used to pay for scholarships.

E.H. Parriott Scholarship Trust Income Fund - used to account for day-to-day operations of the farm and to pay out scholarships from investment and farm income.

Agency Funds - accounts for assets held as an agent for individuals, private organizations, other governmental units and/or other funds. Agency Funds are custodial in nature (assets

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #8**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

equal liabilities) and do not involve measurement of operations. The Agency Funds include the following:

Distributive Fund - State and Federal funds are distributed by the Illinois State Board of Education (ISBE) to the ROE. The ROE is responsible for forwarding these monies to local school districts and others in Carroll, Jo Daviess, and Stephenson Counties.

Distributive Interest Fund - used to account for interest earned on flow-through funds to be distributed to local school districts received from the ISBE. The Superintendent uses the interest money to develop in-service activities and other innovative programs, with the consent of all affected school boards and other entities.

**Measurement Focus and Basis of Accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The ROE considers revenues to be available if they are collected within 60 days after year end. Revenues received more than 60 days after the end of the current period are deferred inflows of resources in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the ROE.

The ROE records on-behalf payments made by the State to the Teachers’ Retirement System and the Teacher’s Health Insurance Security Fund (THIS) as revenue and expenditures.



**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
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Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Capital asset acquisitions are reported as expenditures in governmental funds.

Under the terms of grant agreements, the ROE funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is the ROE's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. For unrestricted fund balance, committed funds are used first, then assigned funds, then unassigned, if any.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the ROE's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The ROE maintains its financial records on the cash basis. The financial statements of the ROE are prepared by making memorandum adjusting entries to the cash basis financial records.

**Governmental Fund Balance**

Fund Balance is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources in a Governmental Fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

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

*Restricted Fund Balance* - The portion of a Governmental Fund's net position that is subject to external enforceable legal restrictions. The following accounts fund balances are restricted by grant agreements or contracts: Education Fund - Early Intervention Infants/Toddlers and Hearing and Vision Grant. The following fund balances are restricted by Illinois State Statute: Nonmajor Special Revenue Funds - Bus Driver and Institute.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
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*Committed Fund Balance* - The portion of a Governmental Fund's net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. There are no accounts presenting a committed fund balance.

*Assigned Fund Balance* - The portion of a Governmental Fund's net position to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. There are no accounts presenting an assigned fund balance.

*Unassigned Fund Balance* - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The fund balances for General Fund's Counties Support, ROE Programs and Services and Special Services are considered unassigned.

**Net Position**

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

*Net investment in capital assets* - consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition of those assets.

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

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

**Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources**

The following accounting policies are followed in preparing the balance sheet:

Cash and investments - The cash and investment balances of the ROE are valued at fair value.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
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Due from other governments - Due from other governments represents amounts due from the ISBE, other agencies, and districts.

Capital assets - Capital assets, which include furniture and equipment, are reported in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the ROE as assets with an initial, individual cost in excess of \$1,500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight-line method over 5-10 years.

Property and equipment in the private-purpose trust fund are recorded at cost. Property and equipment are depreciated in the private-purpose trust fund using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20
Equipment	10

Impairment of long-lived assets - Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

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

Compensated absences - Full-time 12-month employees earn vacation time according to their length of service ranging from 2 to 20 days per year. Vacation time must be used by the end of the fiscal year. However, with the approval of the Department Head, an employee may carry forward 3 days, which must be used within the first 3 months of the following fiscal year. Due to the COVID pandemic, all unused vacation days at June 30, 2020 were allowed to be carried forward for use within the first 3 months of the following fiscal year. Upon

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termination employees are paid for accrued, unused vacation time. The ROE records a liability associated with compensated absences.

Employees receive 10 sick days and 2 personal business days annually. Personal leave days are not accumulated from one fiscal year to the next. Unused sick days are accumulated and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and therefore, no liability is accrued.

Unearned revenue - Unearned revenue arises when proceeds have been received but will be spent in a succeeding fiscal year.

Pensions - For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement System (IMRF) and Teachers' Retirement System of the State of Illinois (TRS) and additions to/deductions from IMRF's and TRS' fiduciary net position have been determined on the same basis as they are reported by IMRF and TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the ROE's OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the ROE's OPEB Plan and additions to/deductions from the ROE's fiduciary net position have been determined on the same basis as they are reported by the ROE's defined benefit OPEB plans. For this purpose, the ROE's Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The ROE's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the ROE's single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

Deferred inflows of resources - Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the Statement of Net Position consist of unrecognized items not yet charged to pension and OPEB expense.

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

**Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**Budgets and Budgetary Accounting**

The ROE did not formally adopt a budget for the year ended June 30, 2020 and is not legally required to do so; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, ISBE requires budgets for certain State and Federal programs. These budgets were used to prepare the Budgetary Comparison Schedule for the following programs: Truants' Alternative/Optional Education, Early Childhood Block Grants, Early Intervention Infants/Toddlers, Regional Safe Schools, ROE/ISC Operations, Workforce Investment Act, McKinney Homeless Grant and Title II - Teacher Quality - Leadership Program.

**New Pronouncement**

In 2020, the ROE implemented Governmental Accounting Standards Board (GASB) Statement No. 95 - *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 95 extends the effective dates of certain accounting and financial reporting provisions that were first effective for reporting periods beginning after June 15, 2018. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The deposit of the ROE monies is governed by the provisions of the Illinois Compiled Statutes.

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Deposits

At June 30, 2020, the carrying amount of the ROE’s cash was \$1,806,028 and the bank balance was \$3,629,676. The ROE also had \$590,397 invested in the Illinois Funds at year-end.

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the ROE’s deposits may not be returned. The ROE does not have a deposit policy for custodial credit risk. As of June 30, 2020, all of the ROE’s deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in the ROE’s name.

A reconciliation of cash is as follows:

<b>Cash and cash equivalents</b>	<b>Amount</b>
Governmental funds	\$ 2,090,569
Enterprise funds	148,779
Fiduciary funds	157,077
Total	\$ 2,396,425

Investments - Private-Purpose Trusts

The ROE’s established investment policy follows the State of Illinois Public Funds Investment Act which authorizes the Regional Office of Education to purchase certain obligations of the U.S. Treasury, federal agencies, and instrumentalities; certificates of deposit and time deposits covered by Federal depository insurance; commercial paper of U.S. corporations with assets exceeding \$500,000,000, if such paper is rated at the highest classification established by at least two standard rating services; money market funds and the Illinois Funds.

Investments of the E.H. Parriott Scholarship Trust Funds are held in a trust account. These investments are carried in marketable securities with readily determinable fair values based on quoted prices in active markets in the Statement of Fiduciary Net Position. Unrealized gains and losses are included in the change in net position in the accompanying Statement of Changes in Fiduciary Net Position.

*Interest Rate Risk*

The ROE does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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*Credit Risk and Concentration of Credit Risk*

The ROE does not have a formal investment policy that would limit its investment choices or would limit the amount the ROE may invest in one issuer.

The ROE uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The recurring fair value measurements for investments were determined using the last reported sales price at current exchange rates. (Level 1 inputs)

At year-end, the ROE has the following investments:

	<u>Morningstar Rating</u>	<u>Cost</u>	<u>Market Value</u>
Principal fund			
Cash equivalents			
Mutual funds			
First American Prime Obligation Fund Class Y	Unrated	\$ 1,760	\$ 1,760
Fixed income investments			
Mutual funds			
Fidelity Advisor Intermediate Municipal Income Fund Class Z	***	174,000	178,861
Nuveen All-American Municipal Bond Fund I	*****	110,000	109,537
Baird Aggregate Bond Fund	*****	274,583	305,774
American Century High Income Y	****	24,700	23,119
TIAA-CREF Inflation Linked Bond Fund	***	44,656	49,501
Total fixed income investments		<u>627,939</u>	<u>666,792</u>
Equity investments			
Mutual funds			
Invesco QQQ Trust	*****	30,076	35,407
T Rowe Price Growth Stock Fund	****	8,291	27,546
Vanguard 500 Index Fund Admiral Shares	*****	47,007	61,582
ishares MSCI EAFE International Index	***	17,181	15,948
ishares Core MSCI Emerging Markets ETF	***	29,162	25,941
Total equity investments		<u>131,717</u>	<u>166,424</u>
Total principal fund		<u>\$ 761,416</u>	<u>\$ 834,976</u>
Income fund			
Cash equivalents			
Mutual funds			
First American Prime Obligation Fund Class Y	Unrated	\$ 25,612	\$ 25,612
Fixed income investments			
Mutual funds			
Nuveen All-American Municipal Bond I	*****	162,476	163,309

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	<u>Morningstar Rating</u>	<u>Cost</u>	<u>Market Value</u>
Nuveen Intermediate Duration Municipal Bond Fund	****	\$ 104,939	\$ 105,942
American Century High IncomeY	****	13,474	12,451
Eaton Vance Global Macro Absolute Return Fund Class I	***	24,225	23,549
Total fixed income investments		<u>305,114</u>	<u>305,251</u>
Total income fund		<u>\$ 330,726</u>	<u>\$ 330,863</u>
Total investments		<u>\$ 1,092,142</u>	<u>\$ 1,165,839</u>

**NOTE 3 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2020 is as follows:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2020</u>
<b>Governmental activities:</b>				
Furniture and equipment	\$ 86,150	\$ 35,559	\$ (1,540)	\$ 120,169
Less: Accumulated depreciation	(62,078)	(14,290)	1,540	(74,828)
Capital assets, net	<u>\$ 24,072</u>	<u>\$ 21,269</u>	<u>\$ -</u>	<u>\$ 45,341</u>
<b>Business-type activities:</b>				
Furniture and equipment	\$ 2,291	\$ -	\$ -	\$ 2,291
Less: Accumulated depreciation	(1,018)	(764)	-	(1,782)
Capital assets, net	<u>\$ 1,273</u>	<u>\$ (764)</u>	<u>\$ -</u>	<u>\$ 509</u>
<b>Fiduciary activities:</b>				
Farm and land improvements	\$ 600,000	\$ -	\$ -	\$ 600,000
Farm building improvements	291,632	-	-	291,632
Sub-total	891,632	-	-	891,632
Less: Accumulated depreciation	(185,688)	(1,079)	-	(186,767)
Capital assets, net	<u>\$ 705,944</u>	<u>\$ (1,079)</u>	<u>\$ -</u>	<u>\$ 704,865</u>

Depreciation expenses were charged as follows:

Governmental activities	
Instructional services:	\$ 14,290
Business-type activities	764
Fiduciary activities:	
Private Purpose Trust Fund:	
E.H. Parriott Scholarship Trust Principal Fund	1,079



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**NOTE 4 - INTERFUND ACTIVITIES**

Due from/to other Funds

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, as of June 30, 2020 were:

<b>Fund</b>	<b>Due From</b>	<b>Due To</b>
General Fund:		
Counties Support	\$ —	\$ 22,367
ROE Program and Services	7,978	—
Special Services	159,754	—
Education Fund:		
Early Intervention Infants/Toddlers	—	129,281
Workforce Investment Act	—	5,153
McKinney Homeless Grant	—	10,931
Total	\$ 167,732	\$ 167,732

Transfers in/out

Transfers are generally made to provide supplemental funding or move resources from the fund required to collect the resources to the fund required to expend the resources. As of June 30, 2020, interfund transfers for the year consisted of the following:

<b>Fund</b>	<b>Transfers in</b>	<b>Transfers out</b>
General Fund:		
ROE Programs and Services	\$ 285,328	\$ —
Special Services	—	293,537
Education Fund:		
Workforce Investment Act	101	—
Child Nutrition	691	—
System of Statewide Support Foundational Services	—	492
Nonmajor Special Revenue Fund:		
General Educational Development	7,909	—
Private Purpose Trust Fund:		
E.H. Parriott Scholarship Trust Principal Fund	—	171,708
E.H. Parriott Scholarship Trust Income Fund	171,708	—
Total	\$ 465,737	\$ 465,737

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**NOTE 5 - DEFINED BENEFIT PENSION PLANS**

The ROE's employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by Carroll, Jo Daviess, and Stephenson Counties and the ROE through grant monies on behalf of the ROE staff employees and grant coordinators.

- a. Occupy a job normally requiring 600 hours or more per year;
- b. Are paid on a regular payroll from County or Regional Office of Education #8 funds;
- c. Were under age sixty when first entering employment; and
- d. Are not covered by another State created retirement system for the same service.

Employees not qualifying for the above are considered as "nonparticipating employees" and are covered under Social Security.

The Regional Superintendent and Assistant Regional Superintendent of the ROE are paid by the State of Illinois. Certain staff employees of the ROE's office are employed and paid by Carroll, Jo Daviess, or Stephenson counties (other support staff and grant coordinators are paid by the Region through grant monies). The ROE has no separate employee benefit plan.

**Illinois Municipal Retirement System**

**IMRF Plan Description**

The ROE's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The ROE's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual 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).

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

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

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

**Employees Covered by Benefit Terms**

As of December 31, 2019, the following employees were covered by the benefit terms:

	<b>IMRF</b>
Retirees and Beneficiaries currently receiving benefits	36
Inactive Plan Members entitled to but not yet receiving benefits	55
Active Plan Members	44
Total	135

**Contributions**

As set by statute, the ROE'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 ROE's annual contribution rate for calendar year 2019 was 6.76%. For the fiscal year 2020, the ROE contributed \$116,327 to the plan. The ROE also contributes for disability benefits, death benefits,

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

### **Net Pension Liability**

The ROE's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

### **Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For **non-disabled retirees**, an IMRF specific Mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real

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rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Projected Ten-Year Return</b>
Equities	37%	5.75%
International Equities	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	
Private Equity	N/A	7.60%
Hedge Funds	N/A	N/A
Commodities	N/A	3.60%
Cash Equivalents	1%	1.85%
Total	100%	

**Single Discount Rate**

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.75%; and the resulting single discount rate is 7.25%.

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**Changes in the Net Pension Liability**

	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension Liability (Asset) (A) – (B)</b>
<b>Balances as of December 31, 2018</b>	\$ 5,217,911	\$ 4,699,808	\$ 518,103
<b>Changes for the year:</b>			
Service Cost	141,852	–	141,852
Interest on the Total Pension Liability	375,365	–	375,365
Changes of Benefit Terms	–	–	–
Differences Between Expected and Actual Experience of the Total Pension Liability	80	–	80
Changes of Assumptions	–	–	–
Contributions - Employer	–	94,279	(94,279)
Contributions - Employees	–	72,367	(72,367)
Net Investment Income	–	889,539	(889,539)
Benefit Payments, including Refunds of Employee Contributions	(230,430)	(230,430)	–
Other (Net Transfer)	–	(4,538)	4,538
Net Changes	286,867	821,217	(534,350)
<b>Balances as of December 31, 2019</b>	<u>\$ 5,504,778</u>	<u>\$ 5,521,025</u>	<u>\$ (16,247)</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

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

	<b>1% Lower 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Higher 8.25%</b>
<b>Net Pension Liability (Asset)</b>	\$ 738,840	\$ (16,247)	\$ (623,547)

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

For the year ended June 30, 2020, the ROE recognized pension expense of \$169,400. At June 30, 2020, the ROE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Difference between expected and actual experience	\$ 61,744	\$ –
Changes in assumptions	70,903	29,765
Net difference between projected and actual earnings on pension plan investments	–	259,039
Total deferred amounts to be recognized in pension expense in future periods	132,647	288,804
Pension contributions made subsequent to the measurement date	69,367	–
<b>Total Deferred Amounts Related to Pensions</b>	<b>\$ 202,014</b>	<b>\$ 288,804</b>

\$69,367 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<b>Year Ending December 31</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2020	\$ (17,157)
2021	(29,515)
2022	1,182
2023	(110,667)
Thereafter	–
Total	\$ (156,157)

**Teachers' Retirement System of the State of Illinois**

**Plan description**

The ROE 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

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to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2019>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

**Benefits provided**

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I member to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.



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**Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, 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 ROE.

***On behalf contributions to TRS.*** The State of Illinois makes employer pension contributions on behalf of the ROE. For the year ended June 30, 2020, State of Illinois contributions recognized by the ROE were based on the State's proportionate share of the collective net pension liability associated with the ROE, and the ROE recognized revenue and expenditures of \$774,744 in pension contributions from the State of Illinois.

***2.2 formula contributions.*** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020 were \$5,513 and are deferred because they were paid after the June 30, 2019 measurement date.

***Federal and special trust fund contributions.*** When TRS members are paid from federal and special trust funds administered by the ROE, there is a statutory requirement for the ROE 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, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, no contributions were required for salaries made from federal and special trust funds.

***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 ROE is required to make a one-time contribution to TRS for members granted

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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, 2020, the ROE did not make any employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2020, the ROE reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state’s support and total are for disclosure purposes only. The amount recognized by the ROE as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the ROE were as follows:

ROE’s proportionate share of the net pension liability	\$	100,262
State’s proportionate share of the net pension liability associated with the employer		7,135,562
 Total	 \$	 <u><u>7,235,824</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019. The ROE’s proportion of the net pension liability was based on the ROE’s share of contributions to TRS for the measurement year ended June 30, 2019, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2019, the ROE’s proportion was .0001236156 percent, which was a decrease of .0000187073 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the ROE recognized pension expense of \$774,744 and revenue of \$774,744 for support provided by the State. For the year ended June 30, 2020, the ROE recognized pension benefit of \$3,568. At June 30, 2020, the ROE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,644	\$ —
Net difference between projected and actual earnings on pension plan investments	159	—
Changes of assumptions	2,247	1,925
Changes in proportion and differences between employer contributions and proportionate share of contributions	464,267	1,122,936
Employer contributions subsequent to the measurement date	5,513	—
<b>Total</b>	<b>\$ 473,830</b>	<b>\$ 1,124,861</b>

\$5,513 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

<b>Year Ending June 30,</b>	<b>Net Deferred Inflows of Resources</b>
2021	\$ 29,613
2022	168,898
2023	306,961
2024	149,988
2025	1,084
Total	\$ 656,544

**Actuarial assumptions**

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2018 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	15.0%	6.3%
U.S. equities small/mid cap	2.0	7.7
International equities developed	13.6%	7.0%
Emerging market equities	3.4	9.5
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.0
International debt developed	2.2	1.1
Emerging international debt	2.6	4.4
Real estate	16.0	5.2
Real return	4.0	1.8
Absolute return	14.0	4.1
Private equity	15.0	9.7
<b>Total</b>	<b>100.0%</b>	

**Discount Rate**

At June 30, 2019, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

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Based on those assumptions, TRS’s fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier I’s liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the ROE’s proportionate share of the net pension liability to changes in the discount rate**

The following presents the ROE’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the ROE’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
ROE’s proportionate share of the net pension liability	\$ 122,462	\$ 100,262	\$ 82,010

**TRS Fiduciary Net Position**

Detailed information about the TRS’s fiduciary net position as of June 30, 2019 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

**NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS**

**Teachers Health Insurance Security Fund**

**Plan Description**

The ROE participates in the Teacher’s 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 postemployment 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,

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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 (CMS) as of July 1, 2013. The CMS administers the plan with the cooperation of the TRS.

**Benefits Provided**

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

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

**On Behalf Contributions to THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the ROE. For the year ended June 30, 2020, State of Illinois contributions recognized by the ROE were based on the State's proportionate share of the collective net OPEB liability associated with the ROE, and recognized revenue and expenditures of \$64,452 in OPEB contributions from the State of Illinois.

**ROE Contributions to THIS Fund**

The ROE also makes contributions to THIS Fund. The ROE THIS Fund contribution was 0.92 percent during the year ended June 30, 2020 and 0.92 and 0.88 percent during the years ended June 30, 2019 and June 30, 2018, respectively. For the year ended June 30, 2020 the ROE paid \$8,749 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2019 and June 30, 2018, the ROE paid \$8,880 and \$8,972, to the THIS Fund, respectively, which was 100 percent of the required contribution.

**Further Information on the THIS Fund**

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

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**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

**Single Discount Rate**

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

Since the THIS fund is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been

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selected. The discount rates are 3.62 percent as of June 30, 2018, and 3.13 percent as of June 30, 2019.

**Sensitivity of the ROE’s Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate**

The following presents the ROE’s proportionate share of the collective net OPEB liability, as well as what the ROE’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.13 percent) or one percentage point higher (4.13 percent) than the current discount rate:

	<b>1% Decrease (2.13%)</b>	<b>Current Discount Rate (3.13%)</b>	<b>1% Increase (4.13%)</b>
ROE’s proportionate share of the collective net OPEB liability	\$ 1,306,840	\$ 1,086,865	\$ 913,183

**Sensitivity of the ROE’s Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following table shows the ROE’s collective net OPEB liability as of June 30, 2019, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	<b>1% Decrease<sup>a</sup></b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase<sup>b</sup></b>
ROE’s proportionate share of the collective net OPEB liability	\$ 878,121	\$ 1,086,865	\$ 1,368,867

<sup>a</sup> One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.81% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

<sup>b</sup> One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

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

At June 30, 2020, the ROE reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the ROE. The



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collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and was rolled forward to the June 30, 2019 measurement date. The ROE's proportion of the collective net OPEB liability was based on a projection of the ROE's long-term share of contributions to the OPEB plan relative to the projected contributions of the ROE, actuarially determined. At June 30, 2019, the ROE's proportion was 0.003927 percent, which was a decrease of 0.000374 percent from its proportion measured as of June 30, 2018 (0.004301 percent). The State's support and total are for disclosure purposes only. The amount recognized by the ROE as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the ROE were as follow:

ROE's proportionate share of the collective net OPEB liability	\$	1,086,865
State's proportionate share of the collective net OPEB liability associated with the ROE		1,471,835
Total	\$	2,558,700

For the year ended June 30, 2020, the ROE recognized OPEB expense of \$64,452 and revenue of \$64,452 for support provided by the State. For the year ending June 30, 2020, the ROE recognized OPEB expense of \$37,637.

At June 30, 2020, the ROE reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ —	\$ 18,036
Changes of assumptions	412	124,590
Net difference between projected and actual earnings on OPEB plan investments	—	36
Changes in proportion and differences between employer contributions and proportionate share of contributions	103,758	212,669
Employer contributions subsequent to the measurement date	8,749	—
Total	\$ 112,919	\$ 355,331

\$8,749 reported as deferred outflows of resources related to OPEB resulting from ROE contributions subsequent to the measurement date and before the end of the fiscal year will be

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included as a reduction of the collective net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the ROE's OPEB expense as follows:

<b>Year Ending June 30,</b>	<b>Net Deferred Inflows of Resources</b>
2021	\$ 40,810
2022	40,812
2023	40,810
2024	40,801
2025	40,734
Thereafter	47,194
Total	\$ 251,161

**THIS Fiduciary Net Position**

Detailed information about the THIS Fund fiduciary net position as of June 30, 2019, is available in the separately issued THIS Financial Report.

**Health Insurance Plan**

**Plan Administration**

The ROE's defined benefit OPEB plan, Retiree's Health Plan (RHP), provides OPEB for all permanent full-time general and public safety employees of the ROE. RHP is a single-employer defined benefit OPEB plan administered by the ROE. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the ROE Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Eligibility Provisions**

*Full-Time Employees - IMRF*

- Tier I IMRF Full-Time employees:
- Age 55 with at least 8 years of service (Reduced Pension)
- Age 55 with at least 30 years of service (Reduced Pension)
- Age 55 with at least 35 years of service (Full Pension)
- Age 60 with at least 8 years of service (Full Pension)

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Tier II IMRF Full-Time employees:  
 Age 62 with at least 10 years of service (Reduced Pension)  
 Age 62 with at least 30 years of service (Reduced Pension)  
 Age 62 with at least 35 years of service (Full Pension)  
 Age 67 with at least 10 years of service (Full Pension)

**Benefits Provided**

The ROE provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the ROE retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the ROE insurance provider.

**Plan Membership**

As of June 30, 2020, the measurement date, the following employees were covered by the benefit terms:

	<b>Participants</b>
Total active employees	45
Inactive employees currently receiving benefit payments	–
Inactive employees entitled to but not yet receiving benefit payments	–
Total	45

**Funding Policy and Contributions**

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

The employer contributions and benefit payments of \$3,176 are related to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

Contributions from other Regional Office of Education resources and benefit payments from other ROE resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust. There were no contributions or benefit payments from other Regional Office of Education resources.

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**Total OPEB Liability**

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2020 actuarial valuation date and adjusted to the June 30, 2020 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	2.25%
Investment rate of return	2.21%
Annual Blended Premiums	PPO: Premiums charged for coverage of retiree and spouse, regardless of age, are \$6,512 and \$7,115, respectively.
	HSA: Premiums charged for coverage of retiree and spouse, regardless of age, are \$5,586 and \$6,101, respectively.
Healthcare cost trend rates	Initial trend rate is based on the 2020 Segal Health Plan Cost Trend Survey.
	PPO: For fiscal years on and after 2020, trend starts at 6.80% for both non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 5.00%.
	HSA: For fiscal years on and after 2020, trend starts at 7.00% for both non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 5.00%.
Retiree's share of benefit-related costs	100%

IMRF mortality rates were based on RP-2014 Study with Blue Collar Adjustment and MP-2016 Improvement, weighted per IMRF November 8, 2017 Experience Study; Age 85 for males, Age 88 for females. These mortality rates are adjusted for retirement status. Spouses use the same mortality tables as retirees.

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

The mortality rates were used to estimate the single age at death per participant pursuant to the Alternative Measurement Method for GASB Statement Nos. 74/75.

The probability of working to the assumed retirement age was determined based on the underlying termination rates pursuant to the Alternative Measurement Method for GASB Statement Nos. 74/75.

**Change in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance as of July 1, 2019</b>	\$ 223,631
<b>Changes for the year:</b>	
Service cost	3,875
Interest	7,984
Changes of benefit terms	-
Differences between expected and actual experience	(76,073)
Changes of assumptions	28,440
Benefit payments	(3,176)
Net Change	(38,950)
<b>Balance as of June 30, 2020</b>	<b>\$ 184,681</b>

**Discount Rate**

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan assets and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the ROE, then only the municipal bond rate is used in determining the Total OPEB Liability.

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

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

**Municipal Bond Rate**

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate is the June 25, 2020 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

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

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the ROE's total OPEB liability calculated using a discount rate of 2.21%, as well as what the ROE's total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (3.21%) or 1-percentage-point lower (1.21%) than the current discount rate:

	<b>1% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
ROE Total OPEB Liability	\$ 210,546	\$ 184,681	\$ 163,114

The sensitivity of the total OPEB liability to the discount rate is based primarily on two factors:

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1. The duration of the plan's expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the Net Position to the Total OPEB Liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability, calculated using a healthcare cost trend rate, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher, than the current healthcare cost trend rates. The key trend rates of both non-Medicare coverage and post-Medicare coverage for PPO and HSA plans are 6.80% in 2020 decreasing to an ultimate trend rate of 5.00% and 7.00% in 2020 decreasing to an ultimate trend rate of 5.00%, respectively.

	<b>1% Decrease (Varies)</b>	<b>Healthcare Cost Trend Rates (Varies)</b>	<b>1% Increase (Varies)</b>
ROE Total OPEB Liability	\$ 162,571	\$ 184,681	\$ 210,721

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the ROE recognized OPEB income of \$23,570. At June 30, 2020, the ROE reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

**NOTE 7 - NON-CURRENT LIABILITIES**

Changes in non-current liabilities during the fiscal year were as follows:

<b>Type of Debt</b>	<b>Balance June 30, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2020</b>
Governmental activities:				
Net pension (asset) liability				
- IMRF	\$ 518,103	\$ -	\$ (518,103)	\$ -
Net pension liability - TRS	110,933	-	(10,671)	100,262
Net OPEB liability - THIS	1,133,112	-	(46,247)	1,086,865
Total OPEB liability - Health insurance plan	223,631	-	(38,950)	184,681
Total	<u>\$ 1,985,779</u>	<u>\$ -</u>	<u>\$ (613,971)</u>	<u>\$ 1,371,808</u>

Of the non-current liabilities included above, there were no amounts due within one year.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
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**NOTE 8 - LEASES**

The E.H. Parriott Scholarship Trust is the lessor of several parcels of farm land and attached buildings under various separate lease arrangements ranging from month-to-month rentals on buildings to 3-year noncancelable leases on farm land. Rental income for the fiscal year ended June 30, 2020 was \$154,268. Future rental payments are as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2021	\$ 134,022
2022	110,259
2023	52,234
Total	\$ 296,515

**NOTE 9 - OPERATING LEASES**

On June 9, 2009, the ROE entered into a lease agreement with Oehlert Rentals LLC for office space located at 1770 West State Street in Sycamore, Illinois. The ROE has renewed the lease each subsequent fiscal year. The renewed lease agreement requires monthly lease payments of \$778 from July 1, 2019 through June 30, 2020.

On June 11, 2013, the ROE entered into a lease agreement with 27 State Centre LLC for office space located at 27 South State Avenue, Freeport, Illinois. The term of the lease is 10 years effective August 1, 2013, with original rent at \$2,268 per month with annual increases. A security deposit of \$5,833 was made upon the onset of the lease.

On June 16, 2016, the ROE entered into a lease agreement with the Sterling Community Unit School District #5 for one classroom located at 506 West Fourth Street, Sterling, Illinois. The ROE has renewed the lease each subsequent fiscal year. The renewed lease agreement requires monthly lease payments of \$350 from July 1, 2019 through June 30, 2020.

On May 1, 2020, the ROE entered into a lease agreement with the Atrium LLC for office space at 404 North Galena Avenue, Dixon, Illinois. The lease has a one-year term beginning May 1, 2020 through April 30, 2021, with monthly lease payments of \$650.



**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
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Total rent expense for the year was \$46,995. Future rental payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 39,504
2022	33,841
2023	34,678
2024	2,896
Total	<u>\$ 110,919</u>

**NOTE 10 - ON-BEHALF PAYMENTS**

The State of Illinois paid the following salary and benefit contributions on-behalf of the ROE:

Regional Superintendent Salary	\$ 114,648
Assistant Regional Superintendent Salary	103,188
Regional Superintendent Benefits (includes State paid insurance)	36,604
Assistant Regional Superintendent Benefits (includes State paid insurance)	32,142
Total	<u>\$ 286,582</u>

Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent was calculated based on data provided by the ISBE. The ROE recorded the on-behalf payments as both revenues and expenditures in the general fund.

The ROE also recorded \$839,196 in revenues and expenses as on-behalf payments from ISBE for the ROE's share of the State's Teachers' Retirement System (TRS) pension expense and Teacher's Health Insurance Security Fund (THIS) OPEB expense in the Statement of Activities. In addition, the ROE has not included any on-behalf payments related to the State's TRS pension expense and THIS OPEB expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$ 286,582
ROE's share of TRS pension expense	774,744
THIS fund pension expense	64,452
Total	<u>\$ 1,125,778</u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
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**NOTE 11 - DUE FROM/TO OTHER GOVERNMENTS**

The ROE's General Fund, Education Fund, Nonmajor Special Revenue Fund, Proprietary Fund, and Agency Fund have funds due from and to various other governmental units which consist of the following:

Due from Other Governments:	
General Fund:	
Local governments	\$ 389,040
Education Fund:	
ISBE	7,920
Local governments	176,262
Nonmajor Special Revenue Fund:	
Local governments	420
Proprietary Fund:	
Local governments	12,243
Agency Fund:	
Local governments	391,461
Total	\$ 977,346
Due to Other Governments:	
Education Fund:	
Local governments	\$ 115,373
Agency Fund:	
Local governments	467,445
Total	\$ 582,818

**NOTE 12 - DISPOSITION OF DISTRIBUTIVE FUND INTEREST**

Interest earned on the investment of the Distributive Fund is remitted by the ROE in accordance with the Carroll, Jo Daviess, and Stephenson Intergovernmental Agreement.

**NOTE 13 - RISK MANAGEMENT**

The ROE is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. The ROE assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #8**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 14 - DEFICIT FUND BALANCE**

At June 30, 2020, the following fund had a deficit fund balance:

General Fund:		
Counties Support	\$	2,763

The deficit is mostly attributable to late receipt of reimbursements, recorded as unavailable revenue, and will be removed upon collecting reimbursement.

**NOTE 15 - IMPACT OF COVID-19 PANDEMIC**

As a result of the spread of the COVID-19 coronavirus pandemic, economic uncertainties have arisen, which may negatively impact the ROE's operations and financial condition. The potential impact and duration of the pandemic is unknown as of the date the financial statements were available to be issued.

The ROE has taken steps to ensure that it can continue to function efficiently while many of its staff work from home to mitigate the effects of the pandemic. The ROE has established remote connectivity, telephone line transfer to home office, zoom account access for all administrators, and flexible work scheduling including staggered schedules to allow fewer people in the office. The ROE is also continuing to migrate its information technology network and systems to the Cloud, which will place it in a much more agile position for remote working in the future.

Much of the revenue for the operation of the ROE is contingent on State of Illinois grant funding streams. If the pandemic continues for much longer than anticipated, it is possible that the ROE's revenue for the year 2021 could be negatively impacted. However, we have no such expectation at this time.

**NOTE 16 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through February 23, 2021, the date the financial statements were available to be issued.

The information is an integral part of the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #8**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2020**

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST SIX CALENDAR YEARS**

Calendar year ended December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>						
Service cost	\$ 141,852	\$ 122,894	\$ 133,702	\$ 130,938	\$ 127,294	\$ 125,563
Interest on the total pension liability	375,365	349,636	334,179	307,310	287,554	259,500
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	80	97,050	84,557	94,785	5,417	(5,936)
Changes of assumptions	-	157,070	(140,774)	-	-	148,745
Benefit payments, including refunds of employee contributions	(230,430)	(210,541)	(189,797)	(162,521)	(154,833)	(158,372)
<b>Net change in total pension liability</b>	<u>286,867</u>	<u>516,109</u>	<u>221,867</u>	<u>370,512</u>	<u>265,432</u>	<u>369,500</u>
<b>Total pension liability - beginning</b>	<u>5,217,911</u>	<u>4,701,802</u>	<u>4,479,935</u>	<u>4,109,423</u>	<u>3,843,991</u>	<u>3,474,491</u>
<b>Total pension liability - ending (A)</b>	<u>\$ 5,504,778</u>	<u>\$ 5,217,911</u>	<u>\$ 4,701,802</u>	<u>\$ 4,479,935</u>	<u>\$ 4,109,423</u>	<u>\$ 3,843,991</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 94,279	\$ 125,161	\$ 109,649	\$ 112,898	\$ 107,663	\$ 127,929
Contributions - employees	72,367	77,432	65,831	62,852	57,386	50,011
Net investment income (loss)	889,539	(191,407)	691,841	296,581	(9,698)	230,555
Benefit payments, including refunds of employee contributions	(230,430)	(210,541)	(189,797)	(162,521)	(154,833)	(158,372)
Other (net transfer)	(4,538)	(3,749)	(3,731)	(4,518)	1,365	(3,043)
<b>Net change in plan fiduciary net position</b>	<u>821,217</u>	<u>(203,104)</u>	<u>673,793</u>	<u>305,292</u>	<u>1,883</u>	<u>247,080</u>
<b>Plan fiduciary net position - beginning</b>	<u>4,699,808</u>	<u>4,902,912</u>	<u>4,229,119</u>	<u>3,923,827</u>	<u>3,921,944</u>	<u>3,674,864</u>
<b>Plan fiduciary net position - ending (B)</b>	<u>\$ 5,521,025</u>	<u>\$ 4,699,808</u>	<u>\$ 4,902,912</u>	<u>\$ 4,229,119</u>	<u>\$ 3,923,827</u>	<u>\$ 3,921,944</u>
<b>Net pension (asset) liability - ending (A) - (B)</b>	<u>\$ (16,247)</u>	<u>\$ 518,103</u>	<u>\$ (201,110)</u>	<u>\$ 250,816</u>	<u>\$ 185,596</u>	<u>\$ (77,953)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	100.30%	90.07%	104.28%	94.40%	95.48%	102.03%
<b>Covered payroll</b>	\$ 1,394,340	\$ 1,360,448	\$ 1,266,166	\$ 1,248,880	\$ 1,167,343	\$ 1,098,751
<b>Net pension (asset) liability as a percentage of covered payroll</b>	-1.17%	38.08%	-15.88%	20.08%	15.90%	-7.09%

**Notes to Schedule:**

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

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
LAST SIX FISCAL YEARS**

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2020	\$ 116,387	\$ 116,328	\$ 59	\$ 1,436,143	8.10%
2019	111,659	111,600	59	1,398,529	7.98%
2018	114,931	114,931	-	1,285,886	8.94%
2017	111,982	111,982	-	1,265,730	8.85%
2016	111,160	111,177	(17)	1,217,846	9.13%
2015	114,344	117,830	(3,486)	1,131,465	10.41%

**Notes to Schedule:**

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate\**

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2019 Contribution Rates:**

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	24-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes: There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2017, actuarial valuation; note two year lag between valuation and rate setting.

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

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020**

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

	<u>FY 2019*</u>	<u>FY 2018*</u>	<u>FY 2017*</u>	<u>FY 2016*</u>	<u>FY 2015*</u>	<u>FY 2014*</u>
Employer's proportion of the net pension liability	.0001236156%	.0001423229%	.0025565377%	.0016752721%	.0003002285%	.0001705991%
Employer's proportionate share of the net pension liability	\$ 100,262	\$ 110,933	\$ 1,953,147	\$ 1,322,394	\$ 196,680	\$ 103,824
State's proportionate share of the net pension liability associated with the employer	<u>7,135,562</u>	<u>7,599,399</u>	<u>8,226,585</u>	<u>7,761,373</u>	<u>5,140,668</u>	<u>4,759,660</u>
Total	<u>\$ 7,235,824</u>	<u>\$ 7,710,332</u>	<u>\$ 10,179,732</u>	<u>\$ 9,083,767</u>	<u>\$ 5,337,348</u>	<u>\$ 4,863,484</u>
Employer's covered payroll	\$ 965,218	\$ 1,019,538	\$ 1,111,066	\$ 982,417	\$ 794,538	\$ 771,604
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.4%	10.9%	175.8%	134.6%	24.8%	13.5%
Plan fiduciary net position as a percentage of the total pension liability	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

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

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Statutorily-required contribution	\$ 5,515	\$ 6,012	\$ 19,038	\$ 105,328	\$ 64,878	\$ 10,520	\$ 9,028
Contributions in relation to the statutorily-required contribution	<u>5,513</u>	<u>6,012</u>	<u>19,038</u>	<u>105,328</u>	<u>64,878</u>	<u>10,520</u>	<u>9,028</u>
Contribution deficiency (excess)	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 950,948	\$ 965,218	\$ 1,019,538	\$ 1,111,066	\$ 982,417	\$ 794,538	\$ 771,604
Contributions as a percentage of covered payroll	0.58%	0.62%	1.87%	9.48%	6.60%	1.32%	1.17%

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

**Notes to This Required Supplementary Information**

*Changes of assumptions*

For the 2019, 2018, 2017 and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real rate of return of 4.5 percent. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

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

For the 2014 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real rate of return of 4.5 percent. However, salary increases were assumed to vary by age.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020**

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE  
SHARE OF THE COLLECTIVE NET OPEB LIABILITY  
TEACHERS' HEALTH INSURANCE SECURITY FUND  
LAST FOUR FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's proportion of the collective net OPEB liability	.003927%	.004301%	.004830%	.004198%
Employer's proportionate share of the collective net OPEB liability	\$ 1,086,865	\$ 1,133,112	\$ 1,253,388	\$ 1,147,573
State's proportionate share of the collective net OPEB liability associated with the employer	<u>1,471,835</u>	<u>1,521,494</u>	<u>1,646,080</u>	<u>1,591,150</u>
Total	<u>\$ 2,558,700</u>	<u>\$ 2,654,606</u>	<u>\$ 2,899,468</u>	<u>\$ 2,738,723</u>
Employer's covered payroll	\$ 965,218	\$ 1,019,538	\$ 1,111,066	\$ 982,417
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	112.6%	111.1%	112.8%	116.8%
Plan fiduciary net position as a percentage of the total OPEB liability	0.25%	-0.07%	-0.17%	-0.22%

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

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TEACHERS' HEALTH INSURANCE SECURITY FUND  
LAST FIVE FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily-required contribution	\$ 8,749	\$ 8,880	\$ 8,972	\$ 9,333	\$ 7,823
Contributions in relation to the statutorily-required contribution	<u>8,749</u>	<u>8,880</u>	<u>8,972</u>	<u>9,333</u>	<u>7,823</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 950,948	\$ 965,218	\$ 1,019,538	\$ 1,111,066	\$ 982,417
Contributions as a percentage of covered payroll	0.92%	0.92%	0.88%	0.84%	0.80%

The information in both schedules will accumulate until a full 10-year trend is presented as required by Statement No. 75.

**Notes to This Required Supplementary Information**

*Changes of assumptions*

For the 2019 measurement year, the assumed investment rate of return was of 0 percent, including an inflation rate of 2.50 percent. For the 2018 and 2017 measurement years, the assumed investment rate of return was of 0 percent, including an inflation rate of 2.75 percent. Salary increases were assumed to vary by service credit and were the same for the 2018 and 2017 measurement years. For the 2018 measurement period, the actual trend was used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for the Excise Tax. For the 2017 measurement period, actual trend was used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.



**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #8**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2020**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**HEALTH INSURANCE PLAN**

<b>Fiscal year ended June 30,</b>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>Total OPEB liability</b>			
Service cost	\$ 3,875	\$ 4,471	\$ 4,304
Interest	7,984	7,851	7,721
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(76,073)	-	-
Changes of assumptions	28,440	12,907	-
Benefit payments	<u>(3,176)</u>	<u>(8,959)</u>	<u>(8,333)</u>
<b>Net change in total OPEB liability</b>	(38,950)	16,270	3,692
<b>Total OPEB liability - beginning</b>	<u>223,631</u>	<u>207,361</u>	<u>203,669</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 184,681</u></u>	<u><u>\$ 223,631</u></u>	<u><u>\$ 207,361</u></u>
 <b>Covered payroll</b>	 \$ 2,043,363	 \$ 1,551,492	 \$ 1,431,209
 <b>Total OPEB liability as a percentage of covered payroll</b>	 9.04%	 14.41%	 14.49%

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

**Notes to This Required Supplementary Information**

*Changes of Assumptions*

Changes of assumptions reflect a change in the discount rate from 3.50% for fiscal year 2019 to 2.21% for fiscal year 2020. For fiscal year 2019, changes of assumptions reflect a change in the discount rate from 3.87% for fiscal year 2018 to 3.50% for fiscal year 2019.

**SUPPLEMENTARY INFORMATION**

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
GENERAL FUND  
COMBINING SCHEDULE OF ACCOUNTS  
JUNE 30, 2020**

**SCHEDULE 1**

	<b>Counties Support</b>	<b>ROE Programs and Services</b>	<b>Medical Reimbursement</b>	<b>Special Services</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 74	\$ 449	\$ 1,218,752	\$ 1,219,275
Accounts receivable	-	-	-	189	189
Due from other governments	26,129	-	-	362,911	389,040
Due from other funds	-	7,978	-	159,754	167,732
<b>TOTAL ASSETS</b>	<b>26,129</b>	<b>8,052</b>	<b>449</b>	<b>1,741,606</b>	<b>1,776,236</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
None	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 26,129</b>	<b>\$ 8,052</b>	<b>\$ 449</b>	<b>\$ 1,741,606</b>	<b>\$ 1,776,236</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 4,463	\$ 125	\$ 449	\$ 189,744	\$ 194,781
Due to other governments	-	-	-	-	-
Due to other funds	22,367	-	-	-	22,367
Unearned revenue	-	-	-	667	667
<b>TOTAL LIABILITIES</b>	<b>26,830</b>	<b>125</b>	<b>449</b>	<b>190,411</b>	<b>217,815</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	2,062	-	-	-	2,062
<b>FUND BALANCES</b>					
Unassigned	(2,763)	7,927	-	1,551,195	1,556,359
<b>TOTAL FUND BALANCES</b>	<b>(2,763)</b>	<b>7,927</b>	<b>-</b>	<b>1,551,195</b>	<b>1,556,359</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 26,129</b>	<b>\$ 8,052</b>	<b>\$ 449</b>	<b>\$ 1,741,606</b>	<b>\$ 1,776,236</b>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020**

**SCHEDULE 2**

	<b>Counties Support</b>	<b>ROE Programs and Services</b>	<b>Medical Reimbursement</b>	<b>Special Services</b>	<b>Total</b>
<b>REVENUES:</b>					
Local sources	\$ 146,925	\$ 85,386	\$ 1,551	\$ 935,931	\$ 1,169,793
State sources	-	-	-	562,437	562,437
On-behalf payments	286,582	-	-	-	286,582
Total revenues	<u>433,507</u>	<u>85,386</u>	<u>1,551</u>	<u>1,498,368</u>	<u>2,018,812</u>
<b>EXPENDITURES:</b>					
Instructional services:					
Salaries	77,590	144,015	-	973,068	1,194,673
Benefits	16,295	36,392	1,551	163,929	218,167
Pension expense	6,503	5,343	-	32,142	43,988
OPEB expense	-	890	-	6,508	7,398
Purchased services	32,514	40,060	-	44,669	117,243
Supplies and materials	-	14,387	-	19,350	33,737
Other objects	1,928	2,130	-	5,299	9,357
Administrative:					
On-behalf payments	286,582	-	-	-	286,582
Capital outlay	-	-	-	23,193	23,193
Total expenditures	<u>421,412</u>	<u>243,217</u>	<u>1,551</u>	<u>1,268,158</u>	<u>1,934,338</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	12,095	(157,831)	-	230,210	84,474
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	285,328	-	-	285,328
Transfers out	-	-	-	(293,537)	(293,537)
Total other financing sources (uses)	<u>-</u>	<u>285,328</u>	<u>-</u>	<u>(293,537)</u>	<u>(8,209)</u>
<b>NET CHANGE IN FUND BALANCES (DEFICIT)</b>	12,095	127,497	-	(63,327)	76,265
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>(14,858)</u>	<u>(119,570)</u>	<u>-</u>	<u>1,614,522</u>	<u>1,480,094</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ (2,763)</u>	<u>\$ 7,927</u>	<u>\$ -</u>	<u>\$ 1,551,195</u>	<u>\$ 1,556,359</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #8  
 EDUCATION FUND  
 COMBINING SCHEDULE OF ACCOUNTS  
 JUNE 30, 2020

SCHEDULE 3

	Truants' Alternative/ Optional Education	Early Childhood Block Grants	Early Intervention Infants/ Toddlers	Regional Safe Schools	Hearing and Vision Grant	ROE/ISC Operations
<b>ASSETS</b>						
Cash and cash equivalents	\$ 10,135	\$ 716,671	\$ -	\$ 11,037	\$ 12,584	\$ 22,853
Due from other governments	6,136	-	158,816	1,784	588	-
<b>TOTAL ASSETS</b>	<b>16,271</b>	<b>716,671</b>	<b>158,816</b>	<b>12,821</b>	<b>13,172</b>	<b>22,853</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 16,271</b>	<b>\$ 716,671</b>	<b>\$ 158,816</b>	<b>\$ 12,821</b>	<b>\$ 13,172</b>	<b>\$ 22,853</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 16,271	\$ 429,002	\$ 23,106	\$ 12,821	\$ -	\$ -
Due to other governments	-	115,373	-	-	-	-
Due to other funds	-	-	129,281	-	-	-
Unearned revenue	-	172,296	-	-	-	22,853
<b>TOTAL LIABILITIES</b>	<b>16,271</b>	<b>716,671</b>	<b>152,387</b>	<b>12,821</b>	<b>-</b>	<b>22,853</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>FUND BALANCES</b>						
Restricted	-	-	6,429	-	13,172	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 16,271</b>	<b>\$ 716,671</b>	<b>\$ 158,816</b>	<b>\$ 12,821</b>	<b>\$ 13,172</b>	<b>\$ 22,853</b>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
EDUCATION FUND  
COMBINING SCHEDULE OF ACCOUNTS  
JUNE 30, 2020

SCHEDULE 3  
(CONTINUED)

	Workforce Investment Act	McKinney Homeless Grant	Title II - Teacher Quality - Leadership Program	Child Nutrition	System of Statewide Support Foundational Service	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 773,280
Due from other governments	5,927	10,931	-	-	-	184,182
<b>TOTAL ASSETS</b>	<b>5,927</b>	<b>10,931</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>957,462</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 5,927</b>	<b>\$ 10,931</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 957,462</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 774	\$ -	\$ -	\$ -	\$ -	\$ 481,974
Due to other governments	-	-	-	-	-	115,373
Due to other funds	5,153	10,931	-	-	-	145,365
Unearned revenue	-	-	-	-	-	195,149
<b>TOTAL LIABILITIES</b>	<b>5,927</b>	<b>10,931</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>937,861</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>FUND BALANCES</b>						
Restricted	-	-	-	-	-	19,601
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 5,927</b>	<b>\$ 10,931</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 957,462</b>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
EDUCATION FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020**

**SCHEDULE 4**

	<b>Truants' Alternative/ Optional Education</b>	<b>Early Childhood Block Grants</b>	<b>Early Intervention Infants/ Toddlers</b>	<b>Regional Safe Schools</b>	<b>Hearing and Vision Grant</b>	<b>ROE/ISC Operations</b>
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 2,594	\$ -
State sources	123,323	2,558,464	697,704	56,756	3,906	87,182
Federal sources	-	-	-	-	-	-
Total revenues	<u>123,323</u>	<u>2,558,464</u>	<u>697,704</u>	<u>56,756</u>	<u>6,500</u>	<u>87,182</u>
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	81,249	314,070	452,431	33,386	1,858	64,977
Benefits	15,698	67,558	76,495	4,840	144	6,842
Pension expense	7,394	20,213	40,176	2,260	152	2,819
OPEB expense	-	1,017	-	-	-	334
Purchased services	13,760	474,916	85,562	9,144	592	6,283
Supplies and materials	922	51,912	18,448	2,859	56	2,101
Other objects	4,300	102,326	18,110	4,267	-	-
Intergovernmental:						
Payments to other governments	-	1,496,530	-	-	-	-
Capital outlay	-	29,922	1,745	-	-	3,826
Total expenditures	<u>123,323</u>	<u>2,558,464</u>	<u>692,967</u>	<u>56,756</u>	<u>2,802</u>	<u>87,182</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	4,737	-	3,698	-
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	-	-	4,737	-	3,698	-
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	-	-	1,692	-	9,474	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,429</u>	<u>\$ -</u>	<u>\$ 13,172</u>	<u>\$ -</u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
EDUCATION FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020**

**SCHEDULE 4  
(CONTINUED)**

	<b>Workforce Investment Act</b>	<b>McKinney Homeless Grant</b>	<b>Title II - Teacher Quality - Leadership Program</b>	<b>Child Nutrition</b>	<b>System of Statewide Support Foundational Service</b>	<b>Totals</b>
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,594
State sources	-	-	-	-	-	3,527,335
Federal sources	95,234	13,931	1,029	-	-	110,194
Total revenues	95,234	13,931	1,029	-	-	3,640,123
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	58,747	3,022	-	-	-	1,009,740
Benefits	6,888	611	-	-	-	179,076
Pension expense	4,033	258	-	-	-	77,305
OPEB expense	-	-	-	-	-	1,351
Purchased services	20,509	1,607	1,000	691	-	614,064
Supplies and materials	1,036	7,783	-	-	-	85,117
Other objects	2,452	-	29	-	-	131,484
Intergovernmental:						
Payments to other governments	-	650	-	-	-	1,497,180
Capital outlay	1,639	-	-	-	-	37,132
Total expenditures	95,304	13,931	1,029	691	-	3,632,449
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(70)	-	-	(691)	-	7,674
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	101	-	-	691	-	792
Transfers out	-	-	-	-	(492)	(492)
Total other financing sources (uses)	101	-	-	691	(492)	300
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	31	-	-	-	(492)	7,974
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	(31)	-	-	-	492	11,627
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,601



CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #8  
 EDUCATION FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 5

	Truants' Alternative/Optional Education				Early Childhood Block Grants			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	127,840	127,840	123,323	(4,517)	2,672,132	2,719,637	2,558,464	(161,173)
Federal sources	-	-	-	-	-	-	-	-
Total revenues	127,840	127,840	123,323	(4,517)	2,672,132	2,719,637	2,558,464	(161,173)
<b>EXPENDITURES:</b>								
Instructional services:								
Salaries	81,693	81,693	81,249	444	318,671	349,710	314,070	35,640
Benefits	24,985	24,985	15,698	9,287	97,063	101,881	67,558	34,323
Pension expense	-	-	7,394	(7,394)	-	-	20,213	(20,213)
OPEB expense	-	-	-	-	-	-	1,017	(1,017)
Purchased services	18,687	15,787	13,760	2,027	614,812	539,547	474,916	64,631
Supplies and materials	2,475	1,075	922	153	65,371	64,054	51,912	12,142
Other objects	-	4,300	4,300	-	-	87,818	102,326	(14,508)
Intergovernmental:								
Payments to other governments	-	-	-	-	1,566,015	1,574,707	1,496,530	78,177
Capital outlay	-	-	-	-	10,200	1,920	29,922	(28,002)
Total expenditures	127,840	127,840	123,323	4,517	2,672,132	2,719,637	2,558,464	161,173
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OTHER FINANCING SOURCES:</b>								
Transfers in			-				-	
<b>NET CHANGE IN FUND BALANCES (DEFICIT)</b>			-				-	
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>			-				-	
<b>FUND BALANCES, END OF YEAR</b>			<u>\$ -</u>				<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #8  
 EDUCATION FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 5  
 (CONTINUED)

	Early Intervention Infants/Toddlers				Regional Safe Schools			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	781,518	781,518	697,704	(83,814)	59,969	59,969	56,756	(3,213)
Federal sources	-	-	-	-	-	-	-	-
Total revenues	781,518	781,518	697,704	(83,814)	59,969	59,969	56,756	(3,213)
<b>EXPENDITURES:</b>								
Instructional services:								
Salaries	520,301	520,301	452,431	67,870	35,998	35,998	33,386	2,612
Benefits	115,028	115,028	76,495	38,533	7,660	7,660	4,840	2,820
Pension expense	-	-	40,176	(40,176)	-	-	2,260	(2,260)
OPEB expense	-	-	-	-	-	-	-	-
Purchased services	92,616	92,742	85,562	7,180	8,344	8,344	9,144	(800)
Supplies and materials	26,442	26,316	18,448	7,868	7,967	3,700	2,859	841
Other objects	27,131	27,131	18,110	9,021	-	4,267	4,267	-
Intergovernmental:								
Payments to other governments	-	-	-	-	-	-	-	-
Capital outlay	-	-	1,745	(1,745)	-	-	-	-
Total expenditures	781,518	781,518	692,967	88,551	59,969	59,969	56,756	3,213
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,737</b>	<b>\$ 4,737</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>OTHER FINANCING SOURCES:</b>								
Transfers in			-				-	
<b>NET CHANGE IN FUND BALANCES (DEFICIT)</b>			4,737				-	
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>			1,692				-	
<b>FUND BALANCES, END OF YEAR</b>			<u>\$ 6,429</u>				<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #8  
 EDUCATION FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 5  
 (CONTINUED)

	ROE/ISC Operations				Workforce Investment Act			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	110,035	110,035	87,182	(22,853)	-	-	-	-
Federal sources	-	-	-	-	113,640	114,129	95,234	(18,895)
Total revenues	110,035	110,035	87,182	(22,853)	113,640	114,129	95,234	(18,895)
<b>EXPENDITURES:</b>								
Instructional services:								
Salaries	75,000	75,000	64,977	10,023	52,966	52,966	58,747	(5,781)
Benefits	10,600	10,600	6,842	3,758	8,391	8,920	6,888	2,032
Pension expense	-	-	2,819	(2,819)	-	-	4,033	(4,033)
OPEB expense	-	-	334	(334)	-	-	-	-
Purchased services	13,047	13,047	6,283	6,764	48,209	46,500	20,509	25,991
Supplies and materials	6,888	6,888	2,101	4,787	1,084	1,064	1,036	28
Other objects	-	-	-	-	2,990	3,040	2,452	588
Intergovernmental:								
Payments to other governments	-	-	-	-	-	-	-	-
Capital outlay	4,500	4,500	3,826	674	-	1,639	1,639	-
Total expenditures	110,035	110,035	87,182	22,853	113,640	114,129	95,304	18,825
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(70)</b>	<b>\$ (70)</b>
<b>OTHER FINANCING SOURCES:</b>								
Transfers in			-				101	
<b>NET CHANGE IN FUND BALANCES (DEFICIT)</b>			-				31	
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>			-				(31)	
<b>FUND BALANCES, END OF YEAR</b>			<b>\$ -</b>				<b>\$ -</b>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #8  
 EDUCATION FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 5  
 (CONTINUED)

	McKinney Homeless Grant				Title II - Teacher Quality - Leadership Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	21,000	21,000	13,931	(7,069)	1,091	1,091	1,029	(62)
Total revenues	21,000	21,000	13,931	(7,069)	1,091	1,091	1,029	(62)
<b>EXPENDITURES:</b>								
Instructional services:								
Salaries	3,550	3,550	3,022	528	-	-	-	-
Benefits	1,020	1,020	611	409	-	-	-	-
Pension expense	-	-	258	(258)	-	-	-	-
OPEB expense	-	-	-	-	-	-	-	-
Purchased services	2,490	2,490	1,607	883	1,060	1,060	1,000	60
Supplies and materials	10,840	10,840	7,783	3,057	-	-	-	-
Other objects	-	-	-	-	31	31	29	2
Intergovernmental:								
Payments to other governments	3,100	3,100	650	2,450	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	21,000	21,000	13,931	7,069	1,091	1,091	1,029	62
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>OTHER FINANCING SOURCES:</b>								
Transfers in			-				-	
<b>NET CHANGE IN FUND BALANCES (DEFICIT)</b>			-				-	
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>			-				-	
<b>FUND BALANCES, END OF YEAR</b>			<u>\$ -</u>				<u>\$ -</u>	

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2020**

**SCHEDULE 6**

	<b>General Educational Development</b>	<b>Bus Driver</b>	<b>Institute</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 19,499	\$ 78,515	\$ 98,014
Due from other governments	-	420	-	420
<b>TOTAL ASSETS</b>	<u>-</u>	<u>19,919</u>	<u>78,515</u>	<u>98,434</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
None	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<u>\$ -</u>	<u>\$ 19,919</u>	<u>\$ 78,515</u>	<u>\$ 98,434</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ -	\$ 248	\$ -	\$ 248
<b>DEFERRED INFLOWS OF RESOURCES</b>				
None	-	-	-	-
<b>FUND BALANCES</b>				
Restricted	-	19,671	78,515	98,186
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 19,919</u>	<u>\$ 78,515</u>	<u>\$ 98,434</u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES**

**SCHEDULE 7**

**REGIONAL OFFICE OF EDUCATION #8**

**NONMAJOR SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>General Educational Development</b>	<b>Bus Driver</b>	<b>Institute</b>	<b>Totals</b>
<b>REVENUES:</b>				
Local sources	\$ 895	\$ 1,880	\$ 21,250	\$ 24,025
State sources	-	1,297	-	1,297
Total revenues	<u>895</u>	<u>3,177</u>	<u>21,250</u>	<u>25,322</u>
<b>EXPENDITURES:</b>				
Instructional services:				
Salaries	7,300	1,132	-	8,432
Benefits	1,102	98	-	1,200
Pension expense	-	5	542	547
Purchased services	508	94	3,247	3,849
Supplies and materials	373	65	62	500
Total expenditures	<u>9,283</u>	<u>1,394</u>	<u>3,851</u>	<u>14,528</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(8,388)	1,783	17,399	10,794
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	<u>7,909</u>	-	-	<u>7,909</u>
<b>NET CHANGE IN FUND BALANCES</b>	(479)	1,783	17,399	18,703
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>479</u>	<u>17,888</u>	<u>61,116</u>	<u>79,483</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 19,671</u>	<u>\$ 78,515</u>	<u>\$ 98,186</u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
PRIVATE PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2020**

**SCHEDULE 8**

	<b>E.H. Parriott Scholarship Trust Principal Fund</b>	<b>E.H. Parriott Scholarship Trust Income Fund</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 309	\$ 80,784	\$ 81,093
Investments	834,976	330,863	1,165,839
Rent receivable	4,900	-	4,900
Property and equipment, net	704,865	-	704,865
Total assets	<u>1,545,050</u>	<u>411,647</u>	<u>1,956,697</u>
<b>LIABILITIES</b>			
Accrued expenses	-	30,898	30,898
Deposits	2,000	-	2,000
Unearned revenue	19,534	-	19,534
Total liabilities	<u>21,534</u>	<u>30,898</u>	<u>52,432</u>
<b>NET POSITION</b>			
Held in trust for other purposes	<u>\$ 1,523,516</u>	<u>\$ 380,749</u>	<u>\$ 1,904,265</u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
PRIVATE PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020**

**SCHEDULE 9**

	<b>E.H. Parriott Scholarship Trust Principal Fund</b>	<b>E.H. Parriott Scholarship Trust Income Fund</b>	<b>Totals</b>
<b>ADDITIONS:</b>			
Rent	\$ 154,268	\$ -	\$ 154,268
Interest and dividends	22,175	9,998	32,173
Realized gain on investments	368	391	759
Unrealized gain on investments	12,155	476	12,631
Total additions	<u>188,966</u>	<u>10,865</u>	<u>199,831</u>
<b>DEDUCTIONS:</b>			
Purchased services	-	64,474	64,474
Scholarships	-	170,500	170,500
Depreciation	1,079	-	1,079
Total deductions	<u>1,079</u>	<u>234,974</u>	<u>236,053</u>
<b>EXCESS (DEFICIENCY) OF ADDITIONS OVER (UNDER) DEDUCTIONS</b>	187,887	(224,109)	(36,222)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	171,708	171,708
Transfers out	(171,708)	-	(171,708)
Total other financing sources (uses)	<u>(171,708)</u>	<u>171,708</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	16,179	(52,401)	(36,222)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>1,507,337</u>	<u>433,150</u>	<u>1,940,487</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 1,523,516</u>	<u>\$ 380,749</u>	<u>\$ 1,904,265</u>



**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #8  
 AGENCY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2020**

**SCHEDULE 10**

	<u>Distributive Fund</u>	<u>Distributive Interest Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 65,446	\$ 10,538	\$ 75,984
Due from other governments	391,461	-	391,461
	<u>391,461</u>	<u>-</u>	<u>391,461</u>
<b>TOTAL ASSETS</b>	<u>\$ 456,907</u>	<u>\$ 10,538</u>	<u>\$ 467,445</u>
<b>LIABILITIES</b>			
Due to other governments	<u>\$ 456,907</u>	<u>\$ 10,538</u>	<u>\$ 467,445</u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

**SCHEDULE 11**

	<u>Balance, June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2020</u>
<b>DISTRIBUTIVE FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 25,935	\$ 2,294,440	\$ 2,254,929	\$ 65,446
Due from other governments	503,101	391,461	503,101	391,461
<b>TOTAL ASSETS</b>	<u>\$ 529,036</u>	<u>\$ 2,685,901</u>	<u>\$ 2,758,030</u>	<u>\$ 456,907</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 529,036</u>	<u>2,685,901</u>	<u>\$ 2,758,030</u>	<u>\$ 456,907</u>
<b>DISTRIBUTIVE INTEREST FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 8,332</u>	<u>\$ 2,206</u>	<u>\$ -</u>	<u>\$ 10,538</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 8,332</u>	<u>\$ 2,206</u>	<u>\$ -</u>	<u>\$ 10,538</u>
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 34,267	\$ 2,296,646	\$ 2,254,929	\$ 75,984
Due from other governments	503,101	391,461	503,101	391,461
<b>TOTAL ASSETS</b>	<u>\$ 537,368</u>	<u>\$ 2,688,107</u>	<u>\$ 2,758,030</u>	<u>\$ 467,445</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 537,368</u>	<u>\$ 2,688,107</u>	<u>\$ 2,758,030</u>	<u>\$ 467,445</u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #8  
AGENCY FUNDS  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

**SCHEDULE 12**

	<b>Vocational Education - Career and Tech. Grant</b>	<b>Voc. Ed - Perkins Title II Secondary</b>	<b>Jo Daviess County School Facilities Sales Tax</b>	<b>Total</b>
Eagle Ridge Vocational Delivery System	\$ 258,847	\$ 51,338	\$ -	\$ 310,185
East Dubuque School District #119	-	-	397,170	397,170
Galena Unit School District #120	-	-	493,007	493,007
Lena-Window Community Unit School District #202	-	-	320	320
River Ridge Community Unit School District #210	-	-	303,425	303,425
Scales Mound Community Unit School District #211	-	-	157,299	157,299
Stockton Community Unit School District #206	-	-	360,816	360,816
Warren Community Unit School District #205	-	-	232,707	232,707
<b>Total</b>	<b>\$ 258,847</b>	<b>\$ 51,338</b>	<b>\$ 1,944,744</b>	<b>\$ 2,254,929</b>