

STATE OF ILLINOIS
BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4

FINANCIAL AUDIT
(In Accordance with the Uniform Guidance)
For the Year Ended June 30, 2023

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

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4

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BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4

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BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4

OFFICIALS

Regional Superintendent (Current and during the audit period)	Honorable Scott Bloomquist
Assistant Regional Superintendent (Current and during the audit period)	Mrs. Allison Pierson

Office is located at:

300 Heart Boulevard
Loves Park, Illinois 61111

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
COMPLIANCE REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

Number of	This Audit	Prior Audit
Audit findings	3	3
Repeated audit findings	3	3
Prior recommendations implemented or not repeated	-	-

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

Item No.	Page	Description	Finding Type
		Findings (Government Auditing Standards)	
2023-001	14	Inadequate Internal Control over Receipts	Significant Deficiency
2023-002	16	Inadequate Controls Over Bank Reconciliation Process	Significant Deficiency
2023-003	18	Delay of Audit	Noncompliance
		Findings and Questioned Costs (Federal Compliance)	
		None	
		Prior Audit Findings not Repeated (Government Auditing Standards)	
		None	
		Prior Audit Findings not Repeated (Federal Compliance)	
		None	

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
COMPLIANCE REPORT SUMMARY

EXIT CONFERENCE

The findings and recommendations appearing in this report were provided to Agency personnel on August 20, 2026. The Boone and Winnebago Counties Regional Office of Educations No. 4 did not request a formal exit conference at this time. Responses to the recommendations were provided by Scott Bloomquist, Regional Superintendent, on September 2, 2026.

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of Boone and Winnebago Counties Regional Office of Education No. 4 was performed by Adelfia LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Boone and Winnebago Counties Regional Office of Education No. 4's basic financial statements.

ADELFIA LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Christopher B. Meister
Auditor General
State of Illinois

Report on the Audit of the Financial Statements

Opinions

As Special Assistant Auditors for the Auditor General, we have audited the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Boone and Winnebago Counties Regional Office of Education No. 4, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Boone and Winnebago Counties Regional Office of Education No. 4's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Boone and Winnebago Counties Regional Office of Education No. 4, as of June 30, 2023, and the respective changes in cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Regional Office of Education No. 4, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter- Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education No. 4's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Regional Office of Education No. 4's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boone and Winnebago Counties Regional Office of Education No. 4's basic financial statements. The cash basis combining schedule of accounts, the budgetary comparison schedules, the cash basis combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the cash basis combining schedule of accounts, the budgetary comparison schedules, the cash basis combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the cash basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026, on our consideration of the Boone and Winnebago Counties Regional Office of Education No. 4'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 Boone and Winnebago Counties Regional Office of Education No. 4'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 Boone and Winnebago Counties Regional Office of Education No. 4's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
September 30, 2026

ADELFIA LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Christopher B. Meister
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Boone and Winnebago Counties Regional Office of Education No. 4 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Boone and Winnebago Counties Regional Office of Education No. 4's basic financial statements, and have issued our report thereon dated September 30, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boone and Winnebago Counties Regional Office of Education No. 4'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 Boone and Winnebago Counties Regional Office of Education No. 4's internal control. Accordingly, we do not express an opinion on the effectiveness of Boone and Winnebago Counties Regional Office of Education No. 4's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Boone and Winnebago Counties Regional Office of Education No. 4's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2023-003.

Regional Office of Education No. 4's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Boone and Winnebago Counties Regional Office of Education No. 4's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Boone and Winnebago Counties Regional Office of Education No. 4's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Boone and Winnebago Counties Regional Office of Education No. 4's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Boone and Winnebago Counties Regional Office of Education No. 4's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE
Chicago, Illinois
September 30, 2026

ADELFIA LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Christopher B. Meister
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

As Special Assistant Auditors for the Auditor General, we have audited Boone and Winnebago Counties Regional Office of Education No. 4 with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Boone and Winnebago Counties Regional Office of Education No. 4's major federal programs for the year ended June 30, 2023. The Boone and Winnebago Counties Regional Office of Education No. 4's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Boone and Winnebago Counties Regional Office of Education No. 4 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Boone and Winnebago Counties Regional Office of Education No. 4 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our audit opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Boone and Winnebago Counties Regional Office of Education No. 4's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Boone and Winnebago Counties Regional Office of Education No. 4's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Boone and Winnebago Counties Regional Office of Education No. 4's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Boone and Winnebago Counties Regional Office of Education No. 4's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Boone and Winnebago Counties Regional Office of Education No. 4's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the Boone and Winnebago Counties Regional Office of Education No. 4's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose

of expressing an opinion on the effectiveness of the Boone and Winnebago Counties Regional Office of Education No. 4's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

SIGNED ORIGINAL ON FILE
Chicago, Illinois
September 30, 2026

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION I – SUMMARY OF AUDITOR'S RESULTS
For the Year Ended June 30, 2023

Financial Statements in accordance with Cash Basis

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:
Material weakness(es) identified? ____ yes _✓_ no
Significant deficiency(ies) identified? _✓_ yes ____ none reported

Noncompliance material to financial statements noted? ____ yes _✓_ no

Federal Awards

Internal Control over major federal programs:
Material weakness(es) identified? ____ yes _✓_ no
Significant deficiency(ies) identified? ____ yes _✓_ none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ yes _✓_ no

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
84.425D, 84.425U	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? ____ yes _✓_ no

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2023

FINDING 2023-001 - Inadequate Internal Control over Receipts (Repeat from Findings 22-001, 21-001, 20-001, 19-002)

CRITERIA/SPECIFIC REQUIREMENT:

Sound internal controls require a policy on timeliness of deposits, either based on dollar threshold or defined timeframe, from the date of receipt. There should be documentation of the date when cash and checks are received. Supporting documentation should be maintained for receipt transactions.

CONDITION:

During our testing of receipts, we noted the following:

- 23 of 40 receipts tested (58%), totaling $698,524, had no documentation when the checks were received. As a result, we were unable to determine whether non-electronic cash receipts were deposited in a timely manner.

EFFECT:

Failure to establish and maintain adequate internal controls over receipts increases the risk of revenue loss, theft, or other irregularities and may not be found within the normal course of operations.

CAUSE:

The Regional Office of Education No. 4 officials indicated the exceptions noted above relate primarily to miscellaneous receipts (principally those received non-electronically) and not necessarily all cash receipts. The exceptions noted were due primarily to oversight.

RECOMMENDATION:

The Regional Office of Education No. 4 should maintain adequate documentation to ensure cash receipts are deposited in a timely manner and receipts are properly supported.

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2023

FINDING 2023-001 - Inadequate Internal Control over Receipts (Repeat from Findings 22-001, 21-001, 20-001, 19-002) (Concluded)

MANAGEMENT RESPONSE:

When this matter was called to management's attention in May 2024 (as part of the audit of fiscal year 2019), management promptly implemented improved procedures regarding miscellaneous cash receipts including improved documentation and standards for prompt deposit to the bank. We believe our improved procedures have addressed the concerns of this finding.

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2023

FINDING 2023-002 - Inadequate Controls Over Bank Reconciliation Process (Repeat from Findings 22-002, 21-002, 20-002, 19-003)

CRITERIA/SPECIFIC REQUIREMENT:

Effective internal control policies require complete and accurate accounting records of all transactions of the entity. Sound internal controls require bank reconciliations to be performed accurately and promptly, no later than the end of the following month. Reconciling items should be investigated immediately, and adjustments made to the general ledger. Bank reconciliations should also be reviewed and approved by a person independent of the preparer in a timely manner.

CONDITION:

The Regional Office of Education No. 4 maintains 10 bank accounts. We tested 3 of 10 (30%) bank accounts and reviewed their monthly reconciliations and noted the following:

- 5 of 36 (14%) monthly bank reconciliations were prepared 7 to 26 days late.

EFFECT:

Failure to prepare bank reconciliations on a timely basis may lead to loss or misuse of assets due to improper control and monitoring of bank accounts. Delay in the preparation of bank reconciliations renders this internal control procedure ineffective for immediately detecting irregularities and inaccuracies in the financial records.

CAUSE:

Regional Office of Education No. 4 officials indicated the exceptions noted above were due to the volume of accounts, and lack of sufficient staff.

RECOMMENDATION:

The Regional Office of Education No. 4 should prepare monthly bank reconciliations no later than the end of the following month.

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2023

FINDING 2023-002 - Inadequate Controls Over Bank Reconciliation Process (Repeat from Findings 22-002, 21-002, 20-002, 19-003) (Concluded)

MANAGEMENT'S RESPONSE:

The Regional Office of Education No. 4 has taken steps to reduce the number of cash bank accounts required for the organization, and has also placed a very high priority on the timely completion of monthly bank reconciliations. When this matter was called to management's attention in May 2024 (as part of the audit of fiscal year 2019), management took prompt steps to assure that all bank reconciliations since that time were begun timely, and to assure that reconciling items were identified by the end of the following month. In most cases, all reconciling items are also resolved in that timeframe or shortly thereafter. This allows for timely final completion of the bank reconciliations.

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2023

FINDING 2023-003 – Delay of Audit (Repeat from Findings 22-003, 21-003, 20-004, 19-004, 18-001, 17-001, 16-001)

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Office of Education No. 4 (ROE) is subject to 105 ILCS 5/2-3.17a which requires the Auditor General's office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Government Auditing Standards. The ROE may utilize a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for audit. The ROE has chosen the cash basis of accounting for financial reporting.

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

CONDITION:

The Regional Office of Education No. 4 did not provide completed financial statements in an auditable form by the August 31st deadline. The June 30, 2022 audit was not released until January 28, 2026. The completed June 30, 2023, financial statements were provided to auditors on February 16, 2026.

EFFECT:

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

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2023

FINDING 2023-003 – Delay of Audit (Repeat from Findings 22-003, 21-003, 20-004, 19-004, 18-001, 17-001, 16-001) (Concluded)

CAUSE:

The Regional Office of Education No. 4 officials indicated that the initial delays that affected earlier years related to internal personnel issues and software program changes that caused the office to experience difficulty in providing information by the required timeline. Since those initial causes have been largely resolved, the Regional Office of Education No. 4 has experienced delays in the preparation of the financial statements and schedules which contributed to an inability to get caught up.

RECOMMENDATION:

The Regional Office of Education No. 4 should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). These financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31st deadline.

MANAGEMENT'S RESPONSE:

Since the initial delays, the Regional Office of Education No. 4 changed to the cash basis of accounting (as had been previously recommended). This has simplified both the financial statement presentation and the process to prepare the financial statements and schedules. An outside Certified Public Accounting firm continues to be engaged to better prepare all financial statements and schedules necessary for audit. Importantly, the Regional Office of Education No. 4 has been actively pursuing an accelerated schedule of past due audits so that this matter may be fully resolved without significant further delay. This is the fourth year of audited financial statements to be completed and issued in the most recent eighteen months. The Illinois Auditor General has been cooperating with this accelerated schedule of audits.

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
For the Year Ended June 30, 2023

INSTANCES OF NONCOMPLIANCE:

None

SIGNIFICANT DEFICIENCIES:

None

MATERIAL WEAKNESSES:

None

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2023

CORRECTIVE ACTION PLAN

FINDING 2023-001 - Inadequate Internal Control over Receipts (Repeat from Findings 22-001, 21-001, 20-001, 19-002)

CONDITION:

During our testing of receipts, we noted the following:

- 23 of 40 receipts tested (58%), totaling $698,524, had no documentation when the checks were received. As a result, we were unable to determine whether non-electronic cash receipts were deposited in a timely manner.

PLAN:

The Regional Office of Education No. 4 has implemented the recommendations that came from the audit of fiscal year 2019 (received April 2024) related to the internal control over miscellaneous cash receipts. Policies and practices implemented in 2024 address, among other matters, the documentation of check receipt dates and timely bank deposits. The Regional Office of Education No. 4 maintains supporting documentation for all cash receipts.

ANTICIPATED DATE OF COMPLETION:

Complete

CONTACT PERSON:

Mr. Scott Bloomquist, Regional Superintendent of Schools

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2023

CORRECTIVE ACTION PLAN (Continued)

FINDING 2023-002 - Inadequate Controls Over Bank Reconciliation Process (Repeat from Findings 22-002, 21-002, 20-002, 19-003)

CONDITION:

The Regional Office of Education No. 4 maintains 10 bank accounts. We tested 3 of 10 (30%) bank accounts and reviewed their monthly reconciliations and noted the following:

- 5 of 36 (14%) monthly bank reconciliations were prepared 7 to 26 days late.

PLAN:

The Regional Office of Education No. 4 has implemented the recommendations that came from the audit of fiscal year 2019 (received April 2024) related to controls over bank reconciliations. The Regional Office of Education No. 4 has significantly reduced (from 11 to fewer than five) the number of cash bank accounts necessary for the organization. While this has not reduced the number of monthly transactions, it has reduced some overlapping administrative time in the bank reconciliation process. Further, new personnel were assigned reconciliation tasks in early fiscal year 2024, and since that time, we believe that all reconciliations have been completed timely. In addition, certain steps are being taken on a more-frequently-than-monthly basis to reduce the need for significant reconciliation time at the end of each month.

ANTICIPATED DATE OF COMPLETION:

Complete

CONTACT PERSON:

Mr. Scott Bloomquist, Regional Superintendent of Schools

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2023

CORRECTIVE ACTION PLAN (Concluded)

FINDING 2023-003 – Delay of Audit (Repeat from Findings 22-003, 21-003, 20-004, 19-004, 18-001, 17-001, 16-001)

CONDITION:

The Regional Office of Education No. 4 did not provide completed financial statements in an auditable form by the August 31st deadline. The June 30, 2022 audit was not released until January 28, 2026. The completed June 30, 2023, financial statements were provided to auditors on February 16, 2026.

PLAN:

The Regional Office of Education No. 4 ("ROE 4") has taken several important steps that positively impact this condition.

- The implementation of new accounting software. (Begun in FY 2017)
- The engagement of a Certified Public Accounting firm to prepare all financial statements and schedules necessary for audit. (First engaged in 2021 for FY 2018)
- The change to a cash basis of accounting (implemented for the financial statements for FY 2019)
- Engaged new personnel for management of the fiscal affairs for ROE 4 (effective during FY 2024)

These factors all positively affect the ability of ROE 4 to meet the requirements for the audit of its financial statements.

Further, ROE 4 has solicited assistance and cooperation of the Illinois Auditor General to plan an accelerated schedule of audits that are intended to eliminate this finding in the near future and come in full compliance with 105 ILCS 5/2-3. l 7a and 74 Ill. Adm. Code 420.320 (c) (2).

- We currently anticipate that the audit of fiscal year 2023-24 can be completed during calendar 2026, with fiscal year 2024-25 following quickly, likely in early calendar 2027.
- Steady, accelerated progress along this path should allow for the elimination of this condition as early as FY2026-27.

ANTICIPATED DATE OF COMPLETION:

December 2027

CONTACT PERSON:

Mr. Scott Bloomquist, Regional Superintendent of Schools

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2023

None

BASIC FINANCIAL STATEMENTS

EXHIBIT A

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
CASH BASIS STATEMENT OF ACTIVITIES AND NET POSITION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues		Net (Disbursements) Receipts and Change in Cash Basis Net Position		
Functions/Programs	**Disbursements**	**Charges for Services**	**Operating Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary government:						
Governmental activities:						
Instructional services:						
Salaries and benefits	$ 4,681,286	$ -	$ 349,490	$ (4,331,796)	$ -	$ (4,331,796)
Pension expense	96,611	-	92,507	(4,104)	-	(4,104)
OPEB expense	13,630	-	-	(13,630)	-	(13,630)
Purchased services	1,285,501	-	657,614	(627,887)	-	(627,887)
Supplies and materials	344,961	-	114,655	(230,306)	-	(230,306)
Other objects	26,198	-	-	(26,198)	-	(26,198)
Intergovernmental:						
Payments to other governments	195,178	-	-	(195,178)	-	(195,178)
Administrative:						
On-behalf payments - State	1,280,161	-	-	(1,280,161)	-	(1,280,161)
On-behalf payments - local	471,785	-	-	(471,785)	-	(471,785)
Capital outlay	1,121	-	-	(1,121)	-	(1,121)
Total governmental activities	8,396,432	-	1,214,266	(7,182,166)	-	(7,182,166)
Business-type activities:						
Professional development	679,404	325,487	-	-	(353,917)	(353,917)
Total business-type activities	679,404	325,487	-	-	(353,917)	(353,917)
Total primary government	$ 9,075,836	$ 325,487	$ 1,214,266	(7,182,166)	(353,917)	(7,536,083)
	General receipts:					
	Local sources			1,551,336	22,970	1,574,306
	State sources			4,826,796	-	4,826,796
	On-behalf payments - State			1,280,161	-	1,280,161
	On-behalf payments - local			471,785	-	471,785
	Total general receipts			8,130,078	22,970	8,153,048
	Change in cash basis net position			947,912	(330,947)	616,965
	Cash basis net position, beginning of year			5,592,124	1,479,201	7,071,325
	Cash basis net position, end of year			$ 6,540,036	$ 1,148,254	$ 7,688,290
	Cash basis net position					
	Restricted			$ 1,135,187	$ -	$ 1,135,187
	Unrestricted			5,404,849	1,148,254	6,553,103
	Total cash basis net position			$ 6,540,036	$ 1,148,254	$ 7,688,290

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

EXHIBIT B

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND CASH EQUIVALENTS
GOVERNMENTAL FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Education Fund	Institute Fund	Non-major Special Revenue Funds	Total Governmental Funds
Receipts					
Federal sources	$ -	$ 1,100,629	$ -	$ -	$ 1,100,629
State sources	3,513,314	1,427,119	-	-	4,940,433
Local sources	1,420,692	-	66,925	63,719	1,551,336
On-behalf payments - State	316,980	-	-	-	316,980
On-behalf payments - local	471,785	-	-	-	471,785
Total receipts	5,722,771	2,527,748	66,925	63,719	8,381,163
Disbursements					
Instructional services:					
Salaries and benefits	3,026,208	1,616,392	28,868	9,818	4,681,286
Pension expense	41,602	54,217	704	88	96,611
OPEB expense	9,519	4,111	-	-	13,630
Purchased Service	604,265	639,657	6,027	35,552	1,285,501
Supplies and materials	289,834	20,378	351	34,398	344,961
Other objects	24,998	1,200	-	-	26,198
Intergovernmental:					
Payments to other governments	-	195,178	-	-	195,178
Administrative:					
On-behalf payments - State	316,980	-	-	-	316,980
On-behalf payments - local	471,785	-	-	-	471,785
Capital outlay	(7,834)	8,955	-	-	1,121
Total disbursements	4,777,357	2,540,088	35,950	79,856	7,433,251
Excess (deficiency) of receipts over (under) disbursements	945,414	(12,340)	30,975	(16,137)	947,912
Net change in cash and cash equivalents	945,414	(12,340)	30,975	(16,137)	947,912
Cash and cash equivalents, beginning	4,771,154	(38,061)	778,557	80,474	5,592,124
Cash and cash equivalents, ending	$ 5,716,568	$ (50,401)	$ 809,532	$ 64,337	$ 6,540,036
Cash basis fund balances					
Restricted	$ -	$ 261,318	$ 809,532	$ 64,337	$ 1,135,187
Assigned	5,421,191	-	-	-	5,421,191
Unassigned	295,377	(311,719)	-	-	(16,342)
Total cash basis fund balances	$ 5,716,568	$ (50,401)	$ 809,532	$ 64,337	$ 6,540,036

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

EXHIBIT C

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND CASH EQUIVALENTS
PROPRIETARY FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities		
	Local Workshops	Non-Major Enterprise Fund - Fingerprinting	Total
Operating receipts			
Charges for services	$ 325,487	$ -	$ 325,487
Local sources	3,204	19,766	22,970
Total operating receipts	328,691	19,766	348,457
Operating disbursements			
Salaries and benefits	249,956	-	249,956
Pension expense	6,940	-	6,940
OPEB expense	768	-	768
Purchased services	254,178	21,228	275,406
Supplies and materials	93,675	530	94,205
Other objects	1,479	-	1,479
Capital outlay	50,650	-	50,650
Total operating disbursements	657,646	21,758	679,404
Change in cash and cash equivalents	(328,955)	(1,992)	(330,947)
Cash and cash equivalents, beginning	1,348,245	130,956	1,479,201
Cash and cash equivalents, ending	$ 1,019,290	$ 128,964	$ 1,148,254
Cash basis net position			
Unrestricted	$ 1,019,290	$ 128,964	$ 1,148,254

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

EXHIBIT D

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Funds
Additions:	
Local sources	$ 88,090
State sources	867,218
Federal sources	981,144
Collections of facility occupation tax for other school districts	3,266,080
Total additions	5,202,532
Deductions:	
Program expenditures	1,529,647
Payments of facility occupation tax for other school districts	3,266,080
Total deductions	4,795,727
Net change in fiduciary net position	406,805
Net position - beginning	390,717
Net position - ending	$ 797,522
Cash basis assets, ending	
Cash and cash equivalents	$ 797,522
Cash basis net position	
Restricted for individuals, organizations, and other governments	$ 797,522

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Boone and Winnebago Counties Regional Office of Education No. 4 (ROE No. 4) operates under the School Code (Articles 3 and 3A of Illinois Compiled Statutes, Chapter 105), encompassing Boone and Winnebago Counties, Illinois. The Regional Superintendent serves as chief administrative officer of the ROE No. 4 and is elected to the position for a four-year term pursuant to Article 3 of Illinois Compiled Statutes, Chapter 105.

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the ROE No. 4's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions; and carrying out other related duties required or permitted by law.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Scope of the Reporting Entity

The ROE No. 4's reporting entity includes all related organizations for which it exercises oversight responsibility.

The ROE No. 4 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the ROE No. 4 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements, other than the agreement detailed below, have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the ROE No. 4 does not control the assets, operations, or management of the districts or joint agreements. In addition, the ROE No. 4 is not aware of any entity that would exercise such oversight as to result in the ROE No. 4 being considered a component unit of the entity.

On July 1, 1999, the ROE No. 4 entered into an intergovernmental agreement with several participating school districts of the region pursuant to the provisions of Intergovernmental Cooperation Clause of the Illinois Constitution and the provisions of the Intergovernmental Cooperation Act of 1973 to form an alternative school known as the Boone-Winnebago Regional Alternative School. Membership in the Regional Alternative School is extended to all public school districts in the region, and any school district desiring to participate may petition the Regional Alternative School Board to join. Membership is on a year-to-year basis. The Regional Alternative School Board is composed of the superintendent of each participating district and the Regional Superintendent of Schools. The Regional Superintendent was designated as the administrative, legal, and fiscal agent of the Regional Alternative School, and the Regional Office has reported the activity of this agreement in their financial statements as a blended component unit.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation

As discussed further in the Measurement Focus and Basis of Accounting section of this note, these financial statements are presented on the cash basis of accounting, which differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the ROE No. 4's accounting policies.

The government-wide financial statement (i.e., Cash Basis Statement of Activities and Net Position) reports information on all of the nonfiduciary activities of the ROE No. 4. For the most part, the effect of inter-activity has been removed from this statement. The statement distinguishes between those activities of the ROE No. 4 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 No. 4's programs.

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

The Cash Basis Statement of Activities and Net Position presents the ROE No. 4's nonfiduciary net position. Net position is reported in the following categories/components:

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

D. Fund Accounting

The accounts of the ROE No. 4 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 arising from cash and cash equivalent transactions, fund balance, receipts received, and disbursements paid. The resources allocated to and accounted for in individual funds are based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are 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 are accounted for through governmental funds.

General Fund - The General Fund is the operating fund of the ROE No. 4. It is used to account for the expenditures that benefit all school districts in the Region except those required to be accounted for in other funds. General Funds include the following:

Audiovisual Co-op - This fund accounts for monies received and disbursed by the Regional Superintendent as administrative agent for the Boone and Winnebago Audiovisual Co-op.

Credit Recovery - This fund accounts for monies received and disbursed in connection with a program that allows students who have previously failed classes an opportunity to capture credits toward graduation.

Educational Service Center No. 1 - This fund accounts for monies received and disbursed to support the activities of the Educational Service Center No. 1.

General Operations - This fund accounts for monies received and disbursed in connection with general administrative activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Payroll - This fund accounts for all payroll costs disbursed by the ROE No. 4. Any fund that has payroll remits the money to the Payroll Fund as administering agent, which then disburses payments to employees, vendors, and payroll taxing authorities.

Regional Alternative School - General State Aid (GSA) - This program accounts for grant monies received and disbursed for the general operations of the Regional Alternative School.

Regional Learning Center - GSA - This program accounts for grant monies received and disbursed for the general operations of the Regional Learning Center.

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

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

McKinney-Vento Homeless Children and Youth - This program accounts for grant monies received and disbursed assisting school districts in identifying and providing assistance to at-risk students. This program offers services to homeless children and youth primarily who are of school age. Preschool-aged children also receive services to ensure access to early childhood and preschool programs.

Regional Safe Schools - This program accounts for grant monies received and disbursed for activities for disruptive students who are eligible for suspension or expulsion.

ROE/ISC Operations - This fund accounts for grant monies received and disbursed for assisting schools in all areas of school improvement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Technology for Success - This program accounts for monies received and disbursed incurred to create and support ongoing learning team focused on alignment of classroom-level assessment and instruction.

Title I - School Improvement & Accountability - The Illinois State Board of Education (ISBE) Quality Assurance Process consists of an external visit to audit each school every few years and an internal review that each school must conduct annually. The ROE No. 4 is charged with supporting and guiding schools through this complex school improvement process so that teaching and learning improve every year.

Elementary and Secondary School Emergency Relief (ESSER) Digital Equity - The purpose of the ESSER Digital Equity is to assist school districts in closing the digital divide and enabling digital-age teaching and learning. School districts may use funds to provide students with technology tools and/or home internet access necessary for technology-rich remote learning experiences.

Title II - Teacher Quality - Leadership - This program accounts for grant monies received and disbursed to provide on line training that is required by the Illinois Performance Evaluation Reform Act to train education administrators to evaluate other administrators and teachers. The program is designed to increase the number of highly qualified administrators and teachers, leading to increased student academic achievement.

Truants Alternative - This program accounts for grant monies received and disbursed for optional education opportunities to school dropouts, potential dropouts, and truants of the region.

Pilot Regional Safe School Cooperative Education Program - This program accounts for grant monies received and disbursed related to providing suspended or expelled youth at the Regional Safe School with alternative cooperative education including classroom work and experience in the private sector.

Individualized Education Programs (IEP) - This program accounts for grant monies received and disbursed related to facilitation services focused on developing mutually acceptable IEP for children with known or suspected disabilities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Social Emotional Learning and Trauma Response - This program accounts for grant monies received and disbursed related to development and implementation of comprehensive safety and well-being plans for students and staff, in partnership with social-emotional and trauma coaches.

Child Nutrition - This fund accounts for Child Nutrition monies used to provide breakfast and lunch through the School Breakfast Program, National School Lunch Program, to students enrolled in the Regional Alternative Attendance Center and Students All Learning Together Program.

ESSER III - This program accounts for grant monies received, and expenditures incurred for emergency assistance as a result of the COVID-19 under the CARES Act enacted on December 27, 2020.

Institute - This fund accounts for fees collected for the registration and renewal of teaching licenses. These fees are used to defray administrative expenses incidental to teachers' institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers or to defray the expense of any general or special meeting of teachers or school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

Nonmajor Special Revenue Funds

General Education Development (GED) - Illinois laws requires the Regional Superintendent of Schools of each county or counties to administer the GED test. Testing fees are used for test administration, testing materials, and diplomas on successful completion of the test.

Bus Driver Training - Experienced bus drivers must take a two-hour instructional refresher course annually, while all new drivers must take an eight-hour course in bus driver safety and first aid, prescribed by the ISBE and administered by the ROE No. 4.

Testing Center - This fund is used to account for monies received and disbursed for activity provided from the new testing center operated by the ROE No. 4.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds - Proprietary funds account for revenues and expenses related to services provided to organizations inside the Region primarily on a cost-reimbursement basis. The ROE No. 4 reports the following enterprise funds:

Local Workshops - This enterprise fund tracks revenues received and expenses incurred in offering professional development workshops for teachers and administrators and other services primarily for the school districts in Boone and Winnebago Counties.

Nonmajor Enterprise Fund - Nonmajor enterprise fund consists of:

Fingerprinting - This enterprise fund accounts for the activity to provide fingerprinting services for background checks for school district personnel.

Fiduciary Funds - Fiduciary Fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the ROE No. 4 under a trust agreement, or equivalent arrangement that has certain characteristics, for individuals, private organizations, or other governments and are not available to support the ROE No. 4's own programs. The ROE No. 4 does not have any trust funds. The ROE No. 4's Fiduciary Fund includes the following:

Custodial Funds - This fund is used to report fiduciary activities that are not required to be reported in a trust fund. The ROE No. 4's Custodial Fund account for amounts collected and distributed on behalf of another government or organization. The ROE No. 4 maintains the following Custodial Funds:

Career Education Associates of North Central Illinois (CEANCI) - This fund accounts for the assets held by the ROE No. 4 for the benefit of CEANCI, an intergovernmental agreement between the Belvidere, Byron, Harlem, Hononegah, North Boone, Rockford, South Beloit, Stillman Valley, and Winnebago school districts for the purpose of directing the region's career and technical education programs. The policy-making CEANCI Board of Governors is composed of the school district superintendents. The ROE No. 4 serves as the administrative agent.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Boone County School Facility Occupation Tax - This fund accounts for the School Facility Occupation Tax receipts and distributions to the school districts receiving allocations for Boone County residents. This tax is collected by the State on behalf of Boone County and remitted to the ROE No. 4 for distribution to the receiving school districts.

E. Measurement Focus and Basis of Accounting

The ROE No. 4 maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the ROE No. 4 are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable, and accrued items. In addition, other economic assets, deferred, outflow of resources, liabilities, and deferred inflow of resources that do not arise from cash transactions or events are not reported. Likewise, purchases of capital assets are treated as current expenditures. Depreciation accounting is not applicable, nor are the provisions of lease accounting (GASB Statement No. 87) or subscription-based information technology arrangements (GASB Statement No. 96). Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with GAAP.

Under the terms of grant agreements, the ROE No. 4 funds certain programs by a combination of specific cost-reimbursement grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net position available to finance the program. It is the ROE No. 4's policy to first apply cost-reimbursement grant resources to such programs and then general receipts.

When a reimbursement in governmental funds can be paid using either restricted or unrestricted resources, the ROE No. 4's policy is generally to first apply the disbursement toward restricted fund balance an then to unrestricted classification, committed, assigned and the unassigned fund balances.

The ROE No. 4 records on-behalf payments made by the State to the Teacher's Retirement System (TRS) and the Teachers' Health Insurance Security Fund (THIS) as receipts and disbursements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating receipts of ROE No. 4's enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services, and administrative expenses. All receipts and disbursements not meeting this definition are reported as non-operating receipts disbursements.

F. Governmental Cash Basis Fund Balance

Fund Balance is divided into five classifications based primarily on the extent to which the ROE No. 4 is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

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 – Regional Safe Schools, ROE/ISC Operations, Technology for Success, Title II Teacher Quality Leadership, and Truants Alternative. The following fund balances are restricted by Illinois State Statute: Nonmajor Special Revenue Funds – General Education Development, Bus Driver Training, and Testing Center.

Committed Fund Balance - The portion of a Governmental Fund's net position with self-imposed constraints or limitations that have been placed at 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. The following accounts have an assigned

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

fund balance: Audiovisual Co-op, Educational Service Center No. 1, Regional Alternative School – GSA, and Regional Learning Center – GSA.

Unassigned Fund Balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes. The unassigned fund balance is made up of the Credit Recovery, General Operations, Payroll, McKinney - Vento Homeless Children and Youth, Title I - School Improvement & Accountability, Pilot Regional Safe School Cooperative Education Program, Individualized Education Programs, and Social Emotional Learning and Trauma Response.

G. Cash and Cash Equivalents

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.

H. Employer Contributions to Pension and OPEB Plans

The ROE No. 4 recognizes the disbursement for employer contributions to pension and other employer postemployment benefits (OPEB) plans when they are paid. As described in Notes 3 and 4, the employer contributions include portions for pension benefits and for OPEB.

I. Internal Activity

Transfers between governmental and business-type activities on the government-wide financial statement is reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Cash Basis Statement of Activities and Net Position. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchase funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

J. Budget Information

Overall budgeting is not a legal requirement for the ROE No. 4. Formal budgets are not adopted for all funds; therefore budgetary comparison schedules are not included for certain programs in the financial statements.

The ROE No. 4 is the recipient of grants from ISBE for which comparison of the budget and actual results are required. The comparison of the budgeted and actual results for the following programs are reported as supplementary information:

- Education Fund:
  - McKinney - Vento Homeless Children and Youth
  - Regional Safe Schools
  - ROE/ISC Operations
  - ESSER Digital Equity
  - Truants Alternative
  - Social Emotional Learning and Trauma Response
  - ESSER III

K. New Accounting Pronouncements

During the year ended June 30, 2023, ROE No. 4 adopted new accounting guidance by implementing the provisions of GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Available Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and applicable sections of GASB Statement No. 99, *Omnibus 2022*. The implementation of GASB Statement Nos. 91, 94, 96, and 99 does not have a significant impact on the ROE No. 4's financial statements.

NOTE 2 CASH AND CASH EQUIVALENTS

The ROE No. 4 is permitted to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7. It is the policy of the ROE No. 4 to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the ROE No. 4 and conforming to all State statutes governing the investment of public funds. This policy includes all funds under the care and control of the Regional Superintendent of Schools.

NOTE 2 CASH AND CASH EQUIVALENTS (Continued)

Deposits. At June 30, 2023, the carrying amounts of the ROE No. 4's government-wide fund and fiduciary fund deposits were $7,688,290 and $797,522, respectively, and the bank balances were $7,500,749 and $795,414, respectively. Of the total bank balances as of June 30, 2023, $250,000 was secured by federal depository insurance and remaining excess funds were fully collateralized.

Custodial Credit Risk. Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the ROE No. 4's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the ROE No. 4's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the ROE No. 4.

Investments. The ROE No. 4 has a formal investment policy that permits it to invest only in certain instruments, including, among others, securities guaranteed by the full faith and credit of the United States of America as to principal and interest; bonds, notes, and similar obligations of the United States of America; interest-bearing deposits or other direct obligations of any bank as defined by the Illinois Banking Act, 205 ILCS 5/1 et seq.; short-term obligations of U.S. corporations with assets exceeding $500,000,000 if they are rated at the time of purchase at one of the three highest classifications by at least two standard rating services, if they do not exceed 10% of the corporation's outstanding obligations, and if no more than one-third of the ROE No. 4's funds are invested in commercial paper; and certain money market mutual funds registered under the Federal Investment Company Act of 1940, 14 U.S.C. 80a-1 et seq. As of June 30, 2023, the ROE No. 4 had investments with carrying and fair values of $633,658 invested in the Illinois Funds Money Market Fund.

Credit Risk. At June 30, 2023, the Illinois Funds Money Market Fund had a Fitch AAAmmf rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

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

NOTE 2 CASH AND CASH EQUIVALENTS (Concluded)

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

NOTE 3 DEFINED BENEFIT PENSION PLANS

Illinois Municipal Retirement Fund

IMRF Plan Description

The ROE No. 4'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 No. 4'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 below. Details of all benefits are available from IMRF. Benefits provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire are 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 earning 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

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

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

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

Employees Covered by Benefit Terms

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

	IMRF
Retirees and Beneficiaries currently receiving benefits	54
Inactive Plan Member entitled to but not yet receiving benefits	54
Active Plan Members	50
Total	158

Contributions

As set by statute, the ROE No. 4'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 No. 4's annual contribution rate for calendar year 2022 was 4.11%. For the fiscal year ended June 30, 2023, the ROE No. 4 contributed $66,542 to the plan. The ROE No. 4 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

Teachers' Retirement System of the State of Illinois

Plan Description

The ROE No. 4 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois Legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration. TRS issues a publicly available financial report that can be obtained at http://trsil.org/financial/acfrs/fy2022; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or at 55 with 20 years. The benefit is determined by the average of the four highest 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. Disability and death benefits are also provided.

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

NOTE 3 DEFINED BENEFIT PENSION PLAN (Continued)

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier 1 members to receive a partial lumpsum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lumpsum payment in lieu of a retirement annuity. Both programs began in 2020 and are funded by bonds issued by the State of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rates for the year ended June 30, 2023 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 No. 4.

On behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the ROE No. 4. For the year ended June 30, 2023, State of Illinois contributions recognized by the ROE No. 4 were based on the State's proportionate share of the collective net pension liability associated with the ROE No. 4, and the ROE No. 4 recognized receipts and disbursements of $947,925 in pension contributions from the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2023, were $13,043.

NOTE 3 DEFINED BENEFIT PENSION PLAN (Concluded)

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administrated by the ROE No. 4, there is a statutory requirement for the ROE No. 4 to pay an employer pension contributions 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, 2020.

Previously, the ROE No. 4 contributions for employees paid from federal and special trust funds were at the same rate as the State contribution rate to TRS and were much higher.

For the year ended June 30, 2023, the ROE No. 4's pension contribution was 10.49 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2023, salaries totaling $250,743 were paid from federal and special trust funds that required employer contributions of $26,303.

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 No. 4 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2023, the ROE No. 4 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.

NOTE 4 OTHER POST EMPLOYMENT BENEFITS

Teachers' Health Insurance Security Fund

THIS Plan Description

The ROE No. 4 participates in the Teachers' Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of participating employers throughout the State of Illinois,

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administrated 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. 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. The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On-behalf Contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the ROE No. 4. State contributions are based on the prior year's creditable earnings as certified by the State's pension auditors at a rate of 0.9 percent of salaries. During the year ended June 30, 2023, the employer recognized on behalf THIS revenue and expenditures based on State of Illinois contributions of $15,256.

Employer Contributions to the THIS Fund

The ROE No. 4 also makes contributions to the THIS Fund. The ROE No. 4 THIS Fund contribution was 0.67 percent during the year ended June 30, 2023 and 0.67, 0.92, 0.92, and 0.92 percent during the years ended June 30, 2022, June 30, 2021, June 30, 2020, and June 30, 2019, respectively. For the year ended June 30, 2023, the ROE No. 4 paid $15,057 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2022, June 30, 2021, June 30, 2020, and June 30, 2019, the ROE No. 4 paid $11,355, $21,668, $23,454, and, $22,042, respectively, which was 100 percent of the required contributions.

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Continued)

Further Information on the THIS Fund

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

Health Insurance Plan

Plan Administration

The ROE No. 4 provides a single-employer defined benefit post-employment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits as to active employees in the IMRF plan. Retirees pay the full cost of coverage.

Eligibility Provisions

Full-Time Employees - IMRF

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

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

Full-Time Employees - TRS

Tier I TRS Full-Time employees:
- Age 55 with at least 20 years of service (Reduced Pension)
- Age 55 with at least 35 years of service (Full Pension)
- Age 60 with at least 10 years of service (Full Pension)
- Age 62 with at least 5 years of service (Full Pension)

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

NOTE 4 OTHER POST EMPLOYMENT BENEFITS (Concluded)

Plan Membership

As of June 30, 2022, the measurement date, the following employees were covered by the benefit terms:

	Participants
Total active employees	51
Inactive employees currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Total	51

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 the benefit payments 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.

NOTE 5 LEASE COMMITMENT

The ROE No. 4 leases the southeast wing and several other rooms in the building totaling approximately 14,000 square feet at 100 Heart Boulevard, Loves Park, Illinois, from the City of Loves Park. The lease term is from August 1, 2011 to July 31, 2021; rent is $3,800 per month. The ROE No. 4 exercised their option to extend the original lease agreement for five years commencing August 1, 2021, and the rent per month is $4,466 ($3,090 for Winnebago County and $1,376 for ROE No. 4) with a 3% yearly increase. During the fiscal year, the Winnebago County paid a total of $38,100 for rentals, and was recognized as on-behalf revenue and expense by the ROE No. 4. The ROE No. 4 also paid $16,960 under this lease agreement during the year.

In May 2020, the ROE No. 4 entered into an agreement to lease a building from the Board of Education School District No. 122 located at 1102 Evans Avenue, Machesney Park, Illinois. The initial lease term was from July 1, 2020 to June 30, 2022. In February 2022, the lease term was extended through June 30, 2025.

NOTE 5 LEASE COMMITMENT (Concluded)

Under the lease, as amended, annual rent from the first three years is $145,158, and increased to $148,061 and $151,022 for years four and five, respectively.

Rent expense for the year ended June 30, 2023, was $162,118. Future minimum rentals are as follows for the years ending:

For the Years Ending June 30	Amount
2024	$ 165,530
2025	169,015
2026	18,533
2027	1,548
Total	$ 354,626

NOTE 6 ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the ROE No. 4:

Regional Superintendent salary	$ 127,908
Regional Superintendent fringe benefits (includes State paid insurance)	34,082
Assistant Regional Superintendents salary	115,116
Assistant Regional Superintendent fringe benefits (includes State paid insurance)	39,874
Total	$ 316,980

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent were calculated based on data provided by the ISBE. The on-behalf payments are reflected as receipts and disbursements in the General Fund.

The ROE No. 4 also recorded $963,181 in receipts and disbursements as on-behalf payments from ISBE for the ROE No. 4's share of the State's TRS pension expense and THIS Fund OPEB expense in the Cash Basis Statement of Activities and Net Position. In addition, the ROE No. 4 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	$ 316,980
ROE No. 4's share of TRS pension expense	947,925
ROE No. 4's share of THIS OPEB benefit	15,256
Total	$ 1,280,161

NOTE 6 ON-BEHALF PAYMENTS (Concluded)

Boone and Winnebago Counties provide the ROE No. 4 with staff and pay certain expenditures on behalf of the ROE No. 4. The expenditures paid on the ROE No. 4's behalf for the year ended June 30, 2023, were as follows:

Salaries and benefits	$	326,816
Purchased services and supplies		144,969
Total	$	471,785

The local on-behalf payments are reflected as receipts and disbursements in the General Fund.

NOTE 7 RISK MANAGEMENT

The ROE No. 4 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ROE No. 4 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 8 DEFICIT FUND BALANCES/NET POSITION

The following individual funds carried the following deficit balances as of June 30, 2023:

Funds with Deficit Fund Balances	Amount
General Fund:	
Credit Recovery	$ 14,482
Education Fund:	
McKinney Vento Homeless Children and Youth	100,421
Title I - School Improvement & Accountability	24,598
Pilot Regional Safe School Cooperative Education Program	43,566
Individualized Education Programs	17,083
Social Emotional Learning and Trauma Response	126,051

NOTE 9 SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 30, 2026, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

SCHEDULE 1

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND CASH EQUIVALENTS
GENERAL FUND ACCOUNT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

	Audiovisual Co-op	Credit Recovery	Educational Service Center No.1	General Operations	Payroll	Regional Alternative School - GSA	Regional Learning Center - GSA	Total
Receipts								
Federal sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-	1,539,340	1,973,974	3,513,314
Local sources	-	4,230	2,330	72,326	-	220,034	1,121,772	1,420,692
On-behalf payments - State	-	-	-	316,980	-	-	-	316,980
On-behalf payments - local	-	-	-	471,785	-	-	-	471,785
Total receipts	-	4,230	2,330	861,091	-	1,759,374	3,095,746	5,722,771
Disbursements								
Instructional services:								
Salaries and benefits	-	-	-	-	2,277	1,668,443	1,355,488	3,026,208
Pension expense	-	-	-	-	-	17,727	23,875	41,602
OPEB expense	-	-	-	-	-	6,134	3,385	9,519
Purchased services	-	50	-	6,347	162	159,652	438,054	604,265
Supplies and materials	-	-	-	14,984	-	82,612	192,238	289,834
Other objects	-	-	-	24,423	-	-	575	24,998
Administrative:								
On-behalf payments - State	-	-	-	316,980	-	-	-	316,980
On-behalf payments - local	-	-	-	471,785	-	-	-	471,785
Capital Outlay	-	-	-	-	-	93	(7,927)	(7,834)
Total disbursements	-	50	-	834,519	2,439	1,934,661	2,005,688	4,777,357
Change in cash and cash equivalents	-	4,180	2,330	26,572	(2,439)	(175,287)	1,090,058	945,414
Cash and cash equivalents Beginning of year	203	(18,662)	143,443	230,349	55,377	1,774,581	2,585,863	4,771,154
Cash and cash equivalents End of year	$ 203	$ (14,482)	$ 145,773	$ 256,921	$ 52,938	$ 1,599,294	$ 3,675,921	$ 5,716,568
Cash basis fund balances								
Assigned	$ 203	$ -	$ 145,773	$ -	$ -	$ 1,599,294	$ 3,675,921	$ 5,421,191
Unassigned	-	(14,482)	-	256,921	52,938	-	-	295,377
Total cash basis fund balances	$ 203	$ (14,482)	$ 145,773	$ 256,921	$ 52,938	$ 1,599,294	$ 3,675,921	$ 5,716,568

SCHEDULE 2

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND CASH EQUIVALENTS
EDUCATION FUND ACCOUNTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

	McKinney-Vento Homeless Children and Youth	Regional Safe Schools	ROE/ISC Operations	Technology for Success	Title I - School Improvement & Accountability	ESSER Digital Equity	Title II Teacher Quality Leadership
Receipts							
Federal sources	$ 75,124	$ -	$ -	$ -	$ -	$ 37,234	$ -
State sources	-	178,851	510,811	-	-	-	-
Local sources	-	-	-	-	-	-	-
Total receipts	75,124	178,851	510,811	-	-	37,234	-
Disbursements							
Instructional services:							
Salaries and benefits	42,533	162,544	485,837	-	-	-	-
Pension expense	1,007	808	9,767	-	-	-	-
OPEB expense	-	934	920	-	-	-	-
Purchased services	72,040	619	11,629	-	-	37,234	-
Supplies and materials	1,303	-	-	-	-	-	-
Other objects	-	-	1,200	-	-	-	-
Intergovernmental:							
Payments to other governments	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total disbursements	116,883	164,905	509,353	-	-	37,234	-
Change in cash and cash equivalents	(41,759)	13,946	1,458	-	-	-	-
Cash and cash equivalents							
Beginning of year	(58,662)	46,633	179	25,670	(24,598)	-	30
Cash and cash equivalents							
End of year	$ (100,421)	$ 60,579	$ 1,637	$ 25,670	$ (24,598)	$ -	$ 30
Cash basis fund balances							
Restricted	$ -	$ 60,579	$ 1,637	$ 25,670	$ -	$ -	$ 30
Unassigned	(100,421)	-	-	-	(24,598)	-	-
Total cash basis fund balances	$ (100,421)	$ 60,579	$ 1,637	$ 25,670	$ (24,598)	$ -	$ 30

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND CASH EQUIVALENTS
EDUCATION FUND ACCOUNTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

	Truants Alternative	Pilot Regional Safe School Cooperative Education Program	Individualized Education Programs	Social Emotional Learning and Trauma Response	Child Nutrition	ESSER III	Total
Receipts							
Federal sources	$ -	$ -	$ -	$ 660,257	$ 122,094	$ 205,920	$ 1,100,629
State sources	666,719	-	70,738	-	-	-	1,427,119
Local sources	-	-	-	-	-	-	-
Total revenues received	666,719	-	70,738	660,257	122,094	205,920	2,527,748
Disbursements							
Instructional services:							
Salaries and benefits	425,684	-	7,745	369,955	122,094		1,616,392
Pension expense	9,852	-	-	32,783	-	-	54,217
OPEB expense	547	-	-	1,710	-	-	4,111
Purchased services	64,229	-	72,699	181,707	-	199,500	639,657
Supplies and materials	5,041	-	84	7,530	-	6,420	20,378
Other objects	-	-	-		-	-	1,200
Intergovernmental:							
Payments to other governments	-	-	-	195,178	-	-	195,178
Capital outlay	8,955	-	-	-	-	-	8,955
Total expenditures disbursed	514,308	-	80,528	788,863	122,094	205,920	2,540,088
Change in cash and cash equivalents	152,411	-	(9,790)	(128,606)	-	-	(12,340)
Cash and cash equivalents							
Beginning of year	20,991	(43,566)	(7,293)	2,555	-	-	(38,061)
Cash and cash equivalents							
End of year	$ 173,402	$ (43,566)	$ (17,083)	$ (126,051)	$ -	$ -	$ (50,401)
Cash basis fund balances							
Restricted	$ 173,402	$ -	$ -	$ -	$ -	$ -	$ 261,318
Unassigned	-	(43,566)	(17,083)	(126,051)	-	-	(311,719)
Total cash basis fund balances	$ 173,402	$ (43,566)	$ (17,083)	$ (126,051)	$ -	$ -	$ (50,401)

SCHEDULE 3

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
EDUCATION FUND ACCOUNTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

	McKinney-Vento Homeless Children and Youth			Regional Safe Schools			ROE/ISC Operations			ESSER Digital Equity		
	Budget	Actual	Variance Favorable (Unfav)	Budget	Actual	Variance Favorable (Unfav)	Budget	Actual	Variance Favorable (Unfav)	Budget	Actual	Variance Favorable (Unfav)
Receipts												
Federal sources	$ 90,300	$ 75,124	$ 15,176	$ -	$ -	$ -	$ -	$ -	$ -	$ 37,234	$ 37,234	$ -
State sources	-	-	-	164,906	178,851	(13,945)	510,811	510,811	-	-	-	-
Total receipts	90,300	75,124	15,176	164,906	178,851	(13,945)	510,811	510,811	-	37,234	37,234	-
Disbursements												
Instructional services												
Salaries and benefits	30,466	42,533	(12,067)	163,125	162,544	581	496,844	485,837	11,007	-	-	-
Pension expense	-	1,007	(1,007)	-	808	(808)	-	9,767	(9,767)	-	-	-
OPEB expense	-	-	-	-	934	(934)	-	920	(920)	-	-	-
Purchased services	59,834	72,040	(12,206)	1,781	619	1,162	12,717	11,629	1,088	37,234	37,234	-
Supplies and materials	-	1,303	(1,303)	-	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	1,250	1,200	50	-	-	-
Intergovernmental												
Payments to other governments	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	90,300	116,883	(26,583)	164,906	164,905	1	510,811	509,353	1,458	37,234	37,234	-
Change in cash and cash equivalents	$ -	(41,759)	$ 41,759	$ -	13,946	$ (13,946)	$ -	1,458	$ (1,458)	$ -	-	$ -
Cash and cash equivalents - beginning		(58,662)			46,633			179			-	
Cash and cash equivalents - ending		$ (100,421)			$ 60,579			$ 1,637			$ -	

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
EDUCATION FUND ACCOUNTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

	Truants Alternative			Social Emotional Learning and Trauma Response			ESSER III		
	Budget	Actual	Variance Favorable (Unfav)	Budget	Actual	Variance Favorable (Unfav)	Budget	Actual	Variance Favorable (Unfav)
Receipts									
Federal sources	$ -	$ -	$ -	$ 857,143	$ 660,257	$ 196,886	$ 511,943	$ 205,920	$ 306,023
State sources	644,268	666,719	(22,451)	-	-	-	-	-	-
Total revenues received	644,268	666,719	(22,451)	857,143	660,257	196,886	511,943	205,920	306,023
Disbursements									
Instructional services									
Salaries and benefits	553,302	425,684	127,618	230,951	369,955	(139,004)	-	-	-
Pension expense	-	9,852	(9,852)	-	32,783	(32,783)	-	-	-
OPEB expense	-	547	(547)	-	1,710	(1,710)	-	-	-
Purchased services	66,649	64,229	2,420	602,692	181,707	420,985	511,943	199,500	312,443
Supplies and materials	15,317	5,041	10,276	20,000	7,530	12,470	-	6,420	(6,420)
Other objects	-	-	-	-	-	-	-	-	-
Intergovernmental									
Payments to other governments	-	-	-	-	195,178	(195,178)	-	-	-
Capital outlay	9,000	8,955	45	3,500	-	3,500	-	-	-
Total expenditures disbursed	644,268	514,308	129,960	857,143	788,863	68,280	511,943	205,920	306,023
Change in cash and cash equivalents	$ -	152,411	$ (152,411)	$ -	(128,606)	$ 128,606	$ -	-	$ -
Cash and cash equivalents - beginning		20,991			2,555			-	
Cash and cash equivalents - ending		$ 173,402			$ (126,051)			$ -	

SCHEDULE 4

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH AND CASH EQUIVALENTS
NONMAJOR SPECIAL REVENUE FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

	General Education Development	Bus Driver Training	Testing Center	Total
Receipts				
Local sources	$ 11,140	$ 18,638	$ 33,941	$ 63,719
Total receipts	11,140	18,638	33,941	63,719
Disbursements				
Instructional services				
Salaries and benefits	-	-	9,818	9,818
Pension expense	-	-	88	88
Purchased services	196	19,969	15,387	35,552
Supplies and materials	28,552	2,122	3,724	34,398
Total disbursements	28,748	22,091	29,017	79,856
Change in cash and cash equivalents	(17,608)	(3,453)	4,924	(16,137)
Cash and cash equivalents, Beginning of year	33,694	9,463	37,317	80,474
Cash and cash equivalents, End of year	$ 16,086	$ 6,010	$ 42,241	$ 64,337
Cash basis fund balances				
Restricted - other	$ 16,086	$ 6,010	$ 42,241	$ 64,337

SCHEDULE 5

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FIDUCIARY NET POSITION
AND CASH ADDITIONS, DEDUCTIONS, AND CHANGES IN
CASH BASIS FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR YEAR ENDED JUNE 30, 2023

	Career Education Associates of North Central Illinois	Boone County School Facility Occupation Tax	Total
Additions:			
Local sources	$ 88,090	$ -	$ 88,090
State sources	867,218	-	867,218
Federal sources	981,144	-	981,144
Collections of facility occupation tax for other school districts	-	3,266,080	3,266,080
Total additions	1,936,452	3,266,080	5,202,532
Deductions:			
Program expenditures	1,529,647	-	1,529,647
Payments of facility occupation tax for other school districts	-	3,266,080	3,266,080
Total deductions	1,529,647	3,266,080	4,795,727
Net change in fiduciary net position	406,805	-	406,805
Net position - beginning	390,717	-	390,717
Net position - ending	$ 797,522	$ -	$ 797,522
Cash basis assets, ending			
Cash and cash equivalents	$ 797,522	$ -	$ 797,522
Cash basis net position			
Restricted for individuals, organizations, and other governments	$ 797,522	$ -	$ 797,522

SCHEDULE 6

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
SCHEDULE OF CASH DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
BOONE COUNTY SCHOOL FACILITY OCCUPATION TAX
FOR YEAR ENDED JUNE 30, 2023

District	Boone County School Facility Occupation Tax
Belvidere CUSD #100	$ 2,755,015
Harvard CUSD #50	4,293
Hiawatha CUSD #426	4,293
Kinnikinnick CUSD #131	875
North Boone CUSD #200	499,514
Rockford SD #205	1,161
Hononegah SD #207	929
	$ 3,266,080

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title		Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	
U.S. Department of Agriculture:					
National School Lunch Program					
Passed-Through Illinois State Board of Education:					
DoD Fresh Fruits and Vegetables Program (non-cash)		10.555	2023	$ 2,394	
Commodities Program (non-cash)		10.555	2023	9,833	
National School Lunch Program		10.555	22-4210-00	15,274	
National School Lunch Program		10.555	23-4210-00	69,555	
COVID-19 ARP Child Nutrition - Child Nutrition Emergency Funding		10.555	23-4210-SC	10,026	
Subtotal 10.555					$ 107,082
School Breakfast Program					
Passed-Through Illinois State Board of Education:					
School Breakfast Program		10.553	22-4220-00	3,521	
School Breakfast Program		10.553	23-4220-00	23,718	
Subtotal 10.553					27,239
Subtotal Child Nutrition Cluster					134,321
Total U.S. Department of Agriculture:					134,321
U.S. Department of Education:					
Education Stabilization Fund					
Passed-Through Illinois State Board of Education:					
COVID-19 Elementary and Secondary School Emergency Relief	(M)	84.425U	22-4998-E3	205,920	
COVID-19 Elementary and Secondary School Emergency Relief	(M)	84.425D	23-4998-DE	37,234	
COVID-19 Elementary and Secondary School Emergency Relief	(M)	84.425D	22-4998-SE	788,863	
Subtotal 84.425					1,032,017
Education for Homeless Children and Youth					
Passed-Through Lee, Ogle, and Whiteside Counties ROE No. 47					
McKinney-Vento Homeless Children and Youth Program		84.196	22-4920	13,826	
McKinney-Vento Homeless Children and Youth Program		84.196	23-4920	103,057	
Subtotal 84.196					116,883
Total U.S. Department of Education:					1,148,900
Total Expenditures of Federal Awards					$ 1,283,221

(M) Program was audited as a major program

The accompanying notes are an intergral part of this schedule.

BOONE AND WINNEBAGO COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 4
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

NOTE 1 – REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Boone and Winnebago Counties Regional Office of Education No. 4 under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Regional Office of Education No. 4, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Regional Office of Education No. 4.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Boone and Winnebago Counties Regional Office of Education No. 4 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – NON-CASH ASSISTANCE

The following amounts were expended in the form of non-cash assistance by Boone and Winnebago Counties Regional Office of Education No. 4 and should be included in the Schedule of Expenditures of Federal Awards:

Non-cash commodities (ALN 10.555)	$ 9,833
Other non-cash assistance:	
Dept. of Defense Fresh Fruits and Vegetables	2,394
Total non-cash assistance	$ 12,227