

**State of Illinois
CARROLL, JO DAVIESS, AND STEPHENSON
COUNTIES REGIONAL OFFICE OF EDUCATION #8
FINANCIAL AUDIT**

For the Year Ended June 30, 2013

**Performed as Special Assistant Auditors for
the Office of the Auditor General**

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

OFFICIALS

Regional Superintendent:
(current and during the audit period)

Honorable Aaron Mercier

Assistant Superintendent:
(during the audit period)

Marie Stiefel

Assistant Superintendent:
(current)

Chris Shockey

Office is located at:

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

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

FINANCIAL REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	2
Repeated audit findings	1	1
Prior recommendations implemented Or not repeated	1	1

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2013-001	9a	Controls over Financial Statement Preparation	Significant Deficiency

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

12-1	11	Inadequate Internal Control Procedures	Significant Deficiency
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EXIT CONFERENCE

An informal exit conference was held with agency personnel on November 12, 2013. Attending were Aaron Mercier, Regional Superintendent, and Tonya Lofgren, Senior Accountant with Wipfli LLP.

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

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 was performed by Wipfli LLP.

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

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Funding Progress and Post-Employment Benefits Other Than Pension Schedule of Funding Progress on pages 12 through 25 and 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules and the Schedule of Disbursements to School District Treasurers and Other Entities is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules and the Schedule of Disbursements to School District Treasurers and Other Entities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2014 on our consideration of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control over financial reporting and compliance.

Wipfli LLP

Dixon, Illinois
March 19, 2014

**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 William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's basic financial statements, and have issued our report thereon dated March 19, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control. Accordingly, we do not express an opinion on the effectiveness of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that 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. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2013-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Regional Office of Education #8's Response to Finding

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

This 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 Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Dixon, Illinois
March 19, 2014

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2013

Section I: Summary of Auditor's Results:

Financial Statements

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
SCHEDULE OF FINDINGS AND RESPONSES (Continued)
Year Ended June 30, 2013

Section II: Financial Statement Findings:

FINDING NO 2013-001 – Controls Over Financial Statement Preparation (Repeat of findings 12-2 and 11-2)

Criteria/Specific Requirement:

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

GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental funds balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities. In addition, the Statement requires information about the government's major and nonmajor funds in the aggregate, to be provided in the fund financial statements.

Condition:

The Regional Office of Education #8 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #8 maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #8 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education #8's financial information prepared by the Regional Office of Education #8, the following were noted:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or unearned revenue. While the Regional Office did maintain records to indicate the balances of accounts receivable, accounts payable, and unearned revenue, not all entries were provided to reconcile the Regional Office of Education #8's grant activity, such as posting grant receivables and unearned revenue.
- Several adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Effect:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
SCHEDULE OF FINDINGS AND RESPONSES (Continued)
Year Ended June 30, 2013

FINDING NO 2013-001 – Controls Over Financial Statement Preparation (Repeat of findings 12-2 and 11-2) (Continued):

Cause:

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to fully comply with these requirements.

Auditor's Recommendation:

As part of internal control over the preparation of financial statements, the Regional Office of Education #8 should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education #8's activities and operations.

Management's Response:

The Regional Office of Education understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. Regional Office of Education #8 has taken steps to address this issue, we have hired a consultant to help train staff, begun the process of consolidating accounts into one ledger, consolidated banking relationships, and have begun to clarify job roles of accounting staff within the ROE. The ROE accepts the degree of risk associated with this condition because the added expense of seeking additional expertise to prepare and/or review financial statements would take away from the funds available to provide educational services to students and teachers. The cost of hiring and training additional staff or contracting services outweighs the benefit. If additional resources are made available through the State of Illinois, the Regional Office will consider seeking the services of an accountant to review the financial statements and related disclosures for completeness and accuracy.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
Year Ended June 30, 2013

Corrective Action Plan:

FINDING NO 2013-001 – Controls Over Financial Statement Preparation

Condition:

The Regional Office of Education #8 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #8 maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #8 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education #8's financial information prepared by the Regional Office of Education #8, the following were noted:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or unearned revenue. While the Regional Office did maintain records to indicate the balances of accounts receivable, accounts payable, and unearned revenue, not all entries were provided to reconcile the Regional Office of Education #8's grant activity, such as posting grant receivables and unearned revenue.
- Several adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office of Education understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. Regional Office of Education #8 has taken steps to address this issue, we have hired a consultant to help train staff, begun the process of consolidating accounts into one ledger, consolidated banking relationships, and have begun to clarify job roles of accounting staff within the ROE. The ROE accepts the degree of risk associated with this condition because the added expense of seeking additional expertise to prepare and/or review financial statements would take away from the funds available to provide educational services to students and teachers. The cost of hiring and training additional staff or contracting services outweighs the benefit. If additional resources are made available through the State of Illinois, the Regional Office will consider seeking the services of an accountant to review the financial statements and related disclosures for completeness and accuracy.

Anticipated Completion Date:

Ongoing

Name of Contact Person:

Honorable Aaron Mercier, Regional Superintendent

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2013

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
12-1	Inadequate Internal Control Procedures	Not repeated
12-2	Controls over Financial Statement Preparation	Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2013. We encourage readers to consider this information in conjunction with Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial statements, which follow.

2013 FINANCIAL HIGHLIGHTS

General Fund revenues increased from \$1,947,987 in fiscal year 2012 to \$2,074,677 in fiscal year 2013, while General Fund expenditures also increased from \$1,772,095 in fiscal year 2012 to \$1,961,444 in fiscal year 2013. The General Fund is made up of four sub funds: Counties Support, ROE Programs and Services, Medical Reimbursement and Special Services. The increase in revenues can be attributed to an increase in in-kind contributions from the State of Illinois due to an increase in the superintendent's salary and benefits and the inclusion of all certified staff salary and benefits, along with an increase in revenues from local sources for services provided. The increase in expenditures can be attributed to the increase in in-kind payments, increased purchase services, and general annual salary increases.

Education Fund revenues increased from \$2,099,383 in 2012 to \$3,468,740 in 2013 while Education Fund expenditures also increased from \$2,101,401 in fiscal year 2012 to \$3,470,589 in fiscal 2013. The increase in revenues and expenditures is due largely to 2012 State funding being recognized and expended in the current fiscal year and more timely state payments received in fiscal year 2013 under the Early Childhood Block Grant. Some of this increase is offset with delayed and/or reduced funding in several of our federal, state, and local grant programs.

The Education Fund is made up of ten different grant funds the Regional Office receives through the State Board of Education along with other sources. Some grants increased while others decreased or were not funded in fiscal year 2013.

USING THIS ANNUAL REPORT

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

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

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

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**
June 30, 2013

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

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplemental information further explains and supports the financial statements with information about the Illinois Municipal Retirement Fund Schedule of Funding Progress and Post-Employment Benefits Other Than Pension.

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

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 June 30, 2013

Figure A-1 Major Features of the Government-wide and fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Regional Office of Education #8 (except fiduciary funds)	The activities of Regional Office of Education #8 that are not proprietary or fiduciary, such as grants and statutory funds	Activities Regional Office of Education #8 operates similar to private businesses: workshops	Instances in which Regional Office of Education #8 administers resources on behalf of someone else, such as the distributive fund and Parriott Scholarship Trust
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses, and Changes in Fund Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**
June 30, 2013

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

Government-wide Financial Statements

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

The two government-wide financial statements report Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net position and how it has changed. Net position – the difference between Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's assets and liabilities – are one way to measure Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial health or financial position. Over time, increases or decreases in Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net position are an indicator of whether financial position is improving or deteriorating. To assess Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's overall health, additional non-financial factors, such as changes in Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's grant funding and the condition of facilities need to be considered.

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

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

Fund Financial Statements

The fund financial statements provide more detailed information about Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's funds, focusing on its most significant or "major" funds – not Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 as a whole. Funds are accounting devices Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 uses to keep track of specific sources of funding and spending on particular programs.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

June 30, 2013

Some funds are required by state law. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.

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

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

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

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

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

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

- 3) *Fiduciary funds*: Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 is the trustee for assets that belong to others. These funds include Private-Purpose Trust Funds and Agency Funds.
 - Private-Purpose Trust Funds – These are funds that exist to account for the E.H. Parriott Scholarship Trust Principal and Interest that provide scholarships for individual students.
 - Agency Funds – These are funds through which Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 administers and accounts for certain federal and/or state grants on behalf of others.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2013

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8, assets exceeded liabilities by \$1,257,083 as of June 30, 2013.

A portion of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net position (3%) reflects its investment in capital assets (e.g., furniture and equipment), less any related debt used to acquire those assets that are still outstanding. Although Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net position for the fiscal year ended June 30, 2013 and 2012:

- The cost of all governmental activities was \$5,478,434 and \$3,922,448 for 2013 and 2012, respectively.
- Federal and State governments subsidized certain governmental activities with grants and contributions of \$3,923,951 and \$2,666,505 for 2013 and 2012, respectively.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2013

<u>2013</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current assets	\$ 2,175,262	\$ 87,803	\$ 2,263,065
Capital assets, net of accumulated depreciation	41,478	-0-	41,478
Total assets	<u>2,216,740</u>	<u>87,803</u>	<u>2,304,543</u>
Current liabilities	<u>1,010,679</u>	<u>646</u>	<u>1,011,325</u>
Noncurrent liabilities	<u>36,135</u>	<u>-0-</u>	<u>36,135</u>
Net position			
Invested in capital assets, net of related debt	41,478	-0-	41,478
Unrestricted	1,041,264	87,157	1,128,421
Restricted for educational purposes	<u>87,184</u>	<u>-0-</u>	<u>87,184</u>
Total net position	<u>\$ 1,169,926</u>	<u>\$ 87,157</u>	<u>\$ 1,257,083</u>
 <u>2012</u>			
Current assets	\$ 2,479,995	\$ 90,963	\$ 2,570,958
Capital assets, net of accumulated depreciation	41,486	-0-	41,486
Total assets	<u>2,521,481</u>	<u>90,963</u>	<u>2,612,444</u>
Current liabilities	<u>1,437,351</u>	<u>5,014</u>	<u>1,442,365</u>
Noncurrent liabilities	<u>23,649</u>	<u>-0-</u>	<u>23,649</u>
Net position			
Invested in capital assets, net of related debt	41,486	-0-	41,486
Unrestricted	940,517	85,949	1,026,466
Restricted for educational purposes	<u>78,478</u>	<u>-0-</u>	<u>78,478</u>
Total net position	<u>\$ 1,060,481</u>	<u>\$ 85,949</u>	<u>\$ 1,146,430</u>

The largest portion of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's net position is unrestricted. Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. Unrestricted net position was \$1,128,421 at year end.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2013

Changes in net position. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's total revenue for the fiscal year ended June 30, 2013 was \$5,693,554. The total cost of all programs and services was \$5,582,901. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2013 and 2012:

<u>2013</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -0-	\$ 100,507	\$ 100,507
Operating grants and contributions	3,923,951	-0-	3,923,951
General revenues			
Local sources	1,215,679	-0-	1,215,679
On-behalf payment	443,751	-0-	443,751
Investment earnings	9,666	-0-	9,666
	<u>5,593,047</u>	<u>100,507</u>	<u>5,693,554</u>
Expenses:			
Education			
Salaries	1,887,205	15,107	1,902,312
Employee benefits	415,941	2,372	418,313
Purchased services	1,100,771	84,434	1,185,205
Supplies and materials	124,247	2,554	126,801
Other objects	7,624	-0-	7,624
Depreciation	12,240	-0-	12,240
Payments to other governments	1,477,467	-0-	1,477,467
Capital outlay	9,188	-0-	9,188
Administrative			
On-behalf payments	443,751	-0-	443,751
	<u>5,478,434</u>	<u>104,467</u>	<u>5,582,901</u>
Excess/(Deficiency) of revenues over expenditures	<u>114,613</u>	<u>(3,960)</u>	<u>110,653</u>
Other Financing Sources (Uses)			
Transfers in (out)	<u>(5,168)</u>	<u>5,168</u>	<u>-0-</u>
Change in net position	109,445	1,208	110,653
Net position, beginning	<u>1,060,481</u>	<u>85,949</u>	<u>1,146,430</u>
Net position, ending	<u>\$ 1,169,926</u>	<u>\$ 87,157</u>	<u>\$ 1,257,083</u>

State source revenues account for 65.67% of the total revenue. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's expenses primarily relate to education, which account for 92% of the total expenses.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2013

<u>2012</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -0-	\$ 50,753	\$ 50,753
Operating grants and contributions	2,666,505	-0-	2,666,505
General revenues			
Local sources	1,122,031	-0-	1,122,031
State sources	5,168	-0-	5,168
On-behalf payment	306,303	-0-	306,303
Investment earnings	-0-	100	100
	<u>4,100,007</u>	<u>50,853</u>	<u>4,150,860</u>
Expenses:			
Education			
Salaries	1,715,818	385	1,716,203
Employee benefits	391,551	22	391,573
Purchased services	761,921	30,147	792,068
Supplies and materials	64,292	2,152	66,444
Other objects	3,984	-0-	3,984
Depreciation	16,550	-0-	16,550
Payments to other governments	660,944	-0-	660,944
Capital outlay	1,085	-0-	1,085
Administrative			
On-behalf payments	306,303	-0-	306,303
	<u>3,922,448</u>	<u>32,706</u>	<u>3,955,154</u>
Changes in net position	177,559	18,147	195,706
Net position, beginning	882,922	67,802	950,724
Net position, ending	<u>\$ 1,060,481</u>	<u>\$ 85,949</u>	<u>\$ 1,146,430</u>

State source revenues account for 59.92% of the total revenue. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's expenses primarily relate to education, which account for 92% of the total expenses.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

June 30, 2013

Governmental Activities

Revenues for governmental activities were \$5,593,047 and \$4,100,007 and expenses were \$5,478,434 and \$3,922,448 for 2013 and 2012, respectively.

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

	Total Expenses	Net (Expenses) Revenues
<u>2013</u>		
Education		
Salaries	\$ 1,887,205	\$ (716,825)
Employee benefits	415,941	(172,818)
Purchased services	1,100,771	(179,902)
Supplies and materials	124,247	(19,379)
Other objects	7,624	(1,915)
Depreciation	12,240	(12,240)
Payments to other governments	1,477,467	(17,954)
Capital Outlay	9,188	10,301
Administrative		
On-behalf payments	443,751	(443,751)
Total expenses	\$ 5,478,434	\$ (1,554,483)
	Total Expenses	Net (Expenses) Revenues
<u>2012</u>		
Education		
Salaries	\$ 1,715,818	\$ (672,669)
Employee benefits	391,551	(122,306)
Purchased services	761,921	(113,746)
Supplies and materials	64,292	(13,933)
Other objects	3,984	(3,984)
Depreciation	16,550	(16,550)
Payments to other governments	660,944	(23,994)
Capital Outlay	1,085	17,542
Administrative		
On-behalf payments	306,303	(306,303)
Total expenses	\$ 3,922,448	\$ (1,255,943)

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2013

Net cost of governmental activities (\$1,554,483), was financed by general revenues, which are made up of primarily local sources (\$1,215,679) and on-behalf payments (\$443,751) for 2013.

Net cost of governmental activities (\$1,255,943), was financed by general revenues, which are made up of primarily local sources (\$1,122,031), and on-behalf payments (\$306,303) for 2012.

Business-Type Activities

Revenues for business-type activities were \$100,507 and \$50,853 and expenses were \$104,467 and \$32,706 for 2013 and 2012, respectively. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's business-type activities include the Workshop Fund. Revenues of these activities were comprised of charges for services and investment income.

INDIVIDUAL FUND ANALYSIS

As previously noted, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 as a whole is reflected in its governmental funds, as well. As Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 completed the year, its governmental funds reported a combined fund balance of \$1,164,583, above last year's ending fund balances of \$1,042,644.

Governmental Fund Highlights

The General Fund fund balance increased from \$964,166 in 2012 to \$1,077,399 in 2013. The increase in fund balance was large in comparison to expenditures of \$1,961,444. The General Fund includes the Special Services accounts, which reflect revenue and expenses for Freeport Alternative High School (FAHS). There is an exchange of funds between Freeport District #145 and the Regional Office, since District #145 receives the State Aid the Regional Office generates but in turn reimburses the ROE for payroll costs for FAHS. There is a time delay between billings and payment, which creates fluctuation from year to year in the fund balance.

The Education Fund fund balance decreased from \$12,827 in 2012 to \$5,810 in 2013. The Education Fund is primarily made up of grants the Regional Office receives and this can vary greatly from year to year as some programs are discontinued while others see a funding increase.

Over the various programs that make up the fund, total expenditures exceeded revenues by \$7,017 thus decreasing the fiscal year 2013 balance from \$12,827 to \$5,810. In consideration that the total Education Fund revenue is \$3,468,740, \$(7,017) is only a modest change. The increase in revenues is primarily due to fluctuations in expenditures on special projects through the Early Intervention program. The fund balance of \$5,810 represents a carryover primarily comprised of local donations and is designated for specific projects of the Early Intervention program, which serves birth-to-three-year old children with disabilities and their families and the Hearing and Vision grant which provides hearing and vision services to preschool children.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 June 30, 2013

Proprietary Fund Highlights

Workshop Fund net position increased from \$85,949 at June 30, 2012, to \$87,157 at June 30, 2013, representing an increase of approximately 1.41%. The Workshop Fund's assets are primarily made up of funds the Regional Office receives and expends in providing for-credit college course work and workshops for professional development.

The Workshop Fund operating revenues have increased from \$50,753 in fiscal year 2012 to \$100,507 in fiscal year 2013. Revenue in the Workshop Fund is largely dependent on participation in the ROE workshops, which varies from year to year. Some additional factors are that most of the workshops are offered during the summer which spans two fiscal years; the revenue can be affected by which fiscal year a workshop is offered in. Also, some years not as many teachers are up for teaching certificate renewal, which requires attending professional development activities.

BUDGETARY HIGHLIGHTS

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

CAPITAL ASSETS

As of June 30, 2013, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 had invested \$12,232 in capital assets, including furniture and equipment. Total depreciation expense for the year was \$12,240.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2013:

	Governmental Activities	Business-Type Activities	Total
Furniture and Equipment	<u>\$41,478</u>	<u>\$ -0-</u>	<u>\$41,478</u>

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2012:

	Governmental Activities	Business-Type Activities	Total
Furniture and equipment	<u>\$41,486</u>	<u>\$ -0-</u>	<u>\$41,486</u>

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2013**

Additional information on Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's capital assets can be found in Note 7 of this report.

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

At the time these financial statements were prepared and audited, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 was aware of several existing circumstances that could significantly affect its financial health in the future.

A substantial proportion of the Regional Office funds come from State grants and programs. From year to year, the Regional Office does not know until the State Budget is finalized, sometime between May to August, whether a program will be funded or at what level. For the past seven years, the State Budget has been a difficult process due to increased spending and finding the needed sources of revenue to meet the budget.

The continuing economic downturn that started in the summer of 2008 will have a major impact on both State and County revenues that support the Regional Office operations. The Governor has called upon all State agencies to reduce their spending during the current fiscal year below the approved budget due to projected revenue shortfalls.

One could expect that for FY14, there may be flat or reduced funding of some of the grant programs that rely on State of Illinois funding.

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

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

BASIC FINANCIAL STATEMENTS

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF NET POSITION
June 30, 2013

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,886,480	\$ 87,803	\$ 1,974,283
Due from other governments	<u>288,782</u>	<u>-</u>	<u>288,782</u>
Total current assets	2,175,262	87,803	2,263,065
Non-current assets:			
Capital assets, being depreciated, net	<u>41,478</u>	<u>-</u>	<u>41,478</u>
Total assets	<u>2,216,740</u>	<u>87,803</u>	<u>2,304,543</u>
LIABILITIES			
Current liabilities:			
Accounts payable	74,485	646	75,131
Accrued payroll and employee benefits	65,113	-	65,113
Due to other governments	43,129	-	43,129
Deferred revenue	<u>827,952</u>	<u>-</u>	<u>827,952</u>
Total current liabilities	<u>1,010,679</u>	<u>646</u>	<u>1,011,325</u>
Noncurrent liabilities:			
IMRF pension obligation	28,566	-	28,566
Other postemployment benefits obligation	<u>7,569</u>	<u>-</u>	<u>7,569</u>
Total noncurrent liabilities	<u>36,135</u>	<u>-</u>	<u>36,135</u>
Total liabilities	<u>1,046,814</u>	<u>646</u>	<u>1,047,460</u>
NET POSITION			
Investment in capital assets, net of related debt	41,478	-	41,478
Unrestricted	1,041,264	87,157	1,128,421
Restricted for educational purposes	<u>87,184</u>	<u>-</u>	<u>87,184</u>
Total net position	<u>\$ 1,169,926</u>	<u>\$ 87,157</u>	<u>\$ 1,257,083</u>

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary government:						
Governmental activities:						
Education:						
Salaries	\$ 1,887,205	\$ -	\$ 1,170,380	\$ (716,825)	\$ -	\$ (716,825)
Employee benefits	415,941	-	243,123	(172,818)	-	(172,818)
Purchased services	1,100,771	-	920,869	(179,902)	-	(179,902)
Supplies and materials	124,247	-	104,868	(19,379)	-	(19,379)
Other objects	7,624	-	5,709	(1,915)	-	(1,915)
Depreciation	12,240	-	-	(12,240)	-	(12,240)
Payments to other governments	1,477,467	-	1,459,513	(17,954)	-	(17,954)
Capital outlay	9,188	-	19,489	10,301	-	10,301
Administrative:						
On-behalf payments	443,751	-	-	(443,751)	-	(443,751)
Total governmental activities	5,478,434	-	3,923,951	(1,554,483)	-	(1,554,483)
Business-type activities:						
Other	104,467	100,507	-	-	(3,960)	(3,960)
Total primary government	\$ 5,582,901	\$ 100,507	\$ 3,923,951	(1,554,483)	(3,960)	(1,558,443)
General revenues and transfers:						
Local sources				1,215,679	-	1,215,679
Interfund transfers				(5,168)	5,168	-
On-behalf payments				443,751	-	443,751
Investment earnings				9,666	-	9,666
Total general revenues and transfers				1,663,928	5,168	1,669,096
CHANGES IN NET POSITION				109,445	1,208	110,653
NET POSITION, BEGINNING OF YEAR				1,060,481	85,949	1,146,430
NET POSITION, END OF YEAR				\$ 1,169,926	\$ 87,157	\$ 1,257,083

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	Special Revenue			
	General	Education	Other	Total
	Fund	Fund	Nonmajor	Governmental
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
ASSETS				
Cash and cash equivalents	\$ 915,093	\$ 902,465	\$ 81,374	\$ 1,898,932
Due from other funds	200,000	-	-	200,000
Due from other governments	<u>80,548</u>	<u>208,234</u>	<u>-</u>	<u>288,782</u>
TOTAL ASSETS	<u>\$ 1,195,641</u>	<u>\$ 1,110,699</u>	<u>\$ 81,374</u>	<u>\$ 2,387,714</u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Cash overdraft	\$ -	\$ 12,452	\$ -	\$ 12,452
Accounts payable	-	74,485	-	74,485
Accrued expenses	65,113	-	-	65,113
Due to other governments	43,129	-	-	43,129
Due to other funds	10,000	190,000	-	200,000
Deferred revenue	<u>-</u>	<u>827,952</u>	<u>-</u>	<u>827,952</u>
Total liabilities	<u>118,242</u>	<u>1,104,889</u>	<u>-</u>	<u>1,223,131</u>
 FUND BALANCES				
Restricted	-	5,810	81,374	87,184
Assigned	420	-	-	420
Unassigned	<u>1,076,979</u>	<u>-</u>	<u>-</u>	<u>1,076,979</u>
Total fund balances	<u>1,077,399</u>	<u>5,810</u>	<u>81,374</u>	<u>1,164,583</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,195,641</u>	<u>\$ 1,110,699</u>	<u>\$ 81,374</u>	<u>\$ 2,387,714</u>

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2013

Total fund balances of governmental funds \$ 1,164,583

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

Capital assets used in governmental activities are not
financial resources and, therefore, are not reported
in the funds. This is the cost of capital assets (\$350,725)
net of accumulated depreciation (\$309,247). 41,478

Long-term liabilities are not due and payable in the current period
and, therefore, are not reported in the funds:

IMRF pension obligation	\$ (28,566)	
Other postemployment benefits obligation	(7,569)	(36,135)

Net position of governmental activities \$ 1,169,926

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2013

	<u>Special Revenue</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
REVENUES:				
Local sources	\$1,074,113	\$ 102,544	\$ 48,688	\$ 1,225,345
State sources	548,600	3,189,559	942	3,739,101
Federal sources	8,213	176,637	-	184,850
On-behalf payments	443,751	-	-	443,751
Total revenues	<u>2,074,677</u>	<u>3,468,740</u>	<u>49,630</u>	<u>5,593,047</u>
EXPENDITURES:				
Education:				
Salaries	1,032,317	854,513	375	1,887,205
Employee benefits	143,504	259,946	5	403,455
Purchased services	308,879	761,504	30,388	1,100,771
Supplies and materials	14,057	107,051	3,139	124,247
Other objects	1,915	5,709	-	7,624
Payments to other governments	15,090	1,462,377	-	1,477,467
On-behalf payments	443,751	-	-	443,751
Capital outlay	1,931	19,489	-	21,420
Total expenditures	<u>1,961,444</u>	<u>3,470,589</u>	<u>33,907</u>	<u>5,465,940</u>
Excess/(Deficiency) of revenues over expenditures	<u>113,233</u>	<u>(1,849)</u>	<u>15,723</u>	<u>127,107</u>
Other Financing Sources (Uses)				
Transfers out	<u>-</u>	<u>(5,168)</u>	<u>-</u>	<u>(5,168)</u>
NET CHANGE IN FUND BALANCES	113,233	(7,017)	15,723	121,939
FUND BALANCE, BEGINNING OF YEAR	<u>964,166</u>	<u>12,827</u>	<u>65,651</u>	<u>1,042,644</u>
FUND BALANCE, END OF YEAR	<u>\$1,077,399</u>	<u>\$ 5,810</u>	<u>\$ 81,374</u>	<u>\$ 1,164,583</u>

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2013

Net change in fund balances **\$ 121,939**

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

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense. The following is the amount
by which capital outlays exceeded depreciation in the current year:

Capital outlay	\$ 12,232	
Depreciation	<u>(12,240)</u>	(8)

Some expenses reported in the Statement of Activities
do not require the use of current financial resources and, therefore,
are not reported as expenditures in governmental funds:

Change in IMRF pension obligation	(8,667)	
Change in other postemployment benefits obligation	<u>(3,819)</u>	<u>(12,486)</u>

Change in net position of governmental activities **\$ 109,445**

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013

	Business-Type Activities - Enterprise Fund <u>Workshops</u>
ASSETS	
Current assets:	
Cash and cash equivalents	<u>\$ 87,803</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	<u>646</u>
 NET POSITION	
Unrestricted	<u><u>\$ 87,157</u></u>

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2013

	Business-Type Activities - Enterprise Fund <u>Workshops</u>
Operating income:	
Charges for services	100,507
Total operating revenues	100,507
Operating expenses:	
Education:	
Salaries	15,107
Employee benefits	2,372
Purchased services	84,434
Supplies and materials	2,554
Total operating expenses	104,467
Operating income (loss)	(3,960)
Nonoperating revenue:	
Operating transfers in	5,168
Total nonoperating revenues	5,168
Change in net position	1,208
Total net position, beginning of year	85,949
Total net position, end of year	\$ 87,157

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2013

	Business-Type Activities - Enterprise Fund <u>Workshops</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from workshops and grants	\$ 100,507
Payments to employees	(17,479)
Payments to suppliers and providers of goods and services	<u>(91,356)</u>
Net cash provided by (used for) operating activities	<u>(8,328)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers in	<u>5,168</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (3,160)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>90,963</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 87,803</u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating Income (Loss)	\$ (3,960)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Change in assets and liabilities:	
Decrease in accounts payable	<u>(4,368)</u>
 Net cash provided by (used for) operating activities	 <u>\$ (8,328)</u>

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2013

	<u>Private-Purpose</u> <u>Trusts</u>	<u>Agency</u> <u>Funds</u>
ASSETS		
Cash and cash equivalents	\$ 153,767	\$ 9,232
Investments	996,011	-
Rent receivable	16,736	-
Interest receivable	2,460	-
Due from other funds	17,401	-
Property and equipment, net	721,821	-
Total assets	1,908,196	9,232
LIABILITIES		
Accounts payable	8,281	-
Due to other funds	17,401	-
Deposits	2,000	-
Due to other governmental units	-	9,232
Deferred revenue	12,866	-
Total liabilities	40,548	9,232
NET POSITION		
Held in trust for other purposes	\$ 1,867,648	\$ -

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2013

	Private-Purpose Trusts
ADDITIONS:	
Local sources	
Rent	\$ 137,159
CRP payment	1,911
Interest and dividends	34,269
Miscellaneous income	702
Realized gain on investments	16,259
Unrealized gain on investments	5,510
Total additions	195,810
DEDUCTIONS:	
Purchased services	60,012
Scholarships	66,500
Depreciation	5,722
Total deductions	132,234
EXCESS OF ADDITIONS OVER DEDUCTIONS	63,576
OTHER FINANCING SOURCES (USES):	
Transfers in	158,404
Transfers out	(158,404)
Total other financing sources (uses)	-
CHANGES IN NET POSITION	63,576
NET POSITION, BEGINNING OF YEAR	1,804,072
NET POSITION, END OF YEAR	\$ 1,867,648

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

The functions of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 include, but are not limited to the following:

- Processing teachers' certificates
- Teaching initial and refresher classes for school bus drivers within Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8
- Review life/safety requirements for schools in conjunction with the State of Illinois
- Issuing newsletters regarding new Illinois life/safety requirements
- Monitoring compliance with State laws and Department of Education policies and procedures
- Providing directions to teachers and school officials on science, art and teaching methods
- Implementing the State Board of Education's Policy Programs
- Encouraging camaraderie among teachers through the teachers' institute

The Regional Office of Education #8's reporting entity includes all related organizations for which the Regional Office of Education #8 exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

The Superintendent has developed criteria to determine whether outside agencies with activities which benefit the citizens served by the Regional Office of Education #8 should be included within its financial reporting entity. The criteria includes, but is not limited to whether the Superintendent (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability or fiscal matters (i.e., financial budget approval, management of assets, etc.). The Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the financial statements. In addition, the Superintendent is not aware of any entity which would exercise such oversight which would result in the Regional Office of Education #8 being considered a component unit of the entity.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Regional Office of Education #8 is the Administrative Agent for two joint agreements – the Jo Daviess-Carroll Area Vocational Center and the Eagle Ridge Vocational Delivery System. These joint agreements are not considered part of the Regional Office of Education #8's GAAP reporting entity and are not included in these financial statements.

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

The Eagle Ridge Vocational Delivery System includes all the Jo Daviess County school districts and the West Carroll school districts in Carroll County. It allocates state vocational funding among member districts and updates vocational programs into sequential programs leading to marketable skills. The Delivery System reimburses the Regional Office of Education #8 for certain administrative costs.

Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the activities of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Position presents Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for any debt attributable to the acquisition, construction or improvement of those assets.

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

Unrestricted net position consists of net position that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non major funds are consolidated into a single column within the governmental funds in the financial section of the basic financial statements and are detailed in the supplemental information.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 report the following major governmental funds:

The General Fund is the operating fund of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8. The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. The following funds are the general funds of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8:

Counties Support – used to account for monies received for, and payment of, expenditures in connection with general administration activities. The source of these monies is from the three county boards for which the Regional Office of Education #8 serves.

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

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

Special Services – used to account for various miscellaneous expenditures as approved by the Regional Office of Education #8. Revenues are primarily derived from interest earnings or invested cash and reimbursements from other entities for administration and accounting for miscellaneous grants and programs.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 which include:

Truants Alternative/Optional Ed. – used to account for grant monies received for, and payment of, expenses of the Truants Alternative Program.

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

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

Learning Technology Center – used to account for grant monies received for, and payment of, the expenses associated with the Learning Technology Center.

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

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

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

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

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

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

Beginning Teacher Induction Pilot Program – used to account for grant monies received for, and expenditures incurred to support, programs associated with assisting new teachers.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 reports the following nonmajor governmental funds:

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

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

Annexation – used to account for resources accumulated for, and payment of, expenses for annexation.

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

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 report the following major proprietary fund:

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

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 also reports fiduciary funds which focus on net position and changes in net position. They include the following:

The Private-Purpose Trust Fund is used to account for assets held by the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 under trust agreements which require income earned to be used to benefit individuals through scholarship awards. The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 private-purpose trust funds include the following:

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

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Agency Fund is used to account for assets held by the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 as an agent for individuals, private organizations and other governments. The Agency Fund is custodial in nature, assets, equal liabilities, and does not involve measurement of results of operations. The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 agency funds include the following:

Distributive – State and Federal funds are distributed by the Illinois State Board of Education to the Regional Office of Education #8. The Regional Office of Education #8 is responsible for forwarding these monies to local school districts and others in Carroll, Jo Daviess, and Stephenson Counties.

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

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements, but are recognized as current revenues in the government-wide financial statements.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Capital asset acquisitions are reported as expenditures in governmental funds.

Under the terms of grant agreements, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. For unrestricted fund balance, committed funds are used first, then assigned funds, then unassigned, if any.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 maintains its financial records on the cash basis. The financial statements of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 are prepared by making memorandum adjusting entries to the cash basis financial records.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances

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

Nonspendable Fund Balance – the portion of a Governmental Fund’s fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. There are no accounts presenting a Nonspendable fund balance.

Restricted Fund Balance – the portion of a Governmental Fund’s fund balance that is subject to external enforceable legal restrictions. The following fund balances are restricted by grant agreements or contracts: Hearing and Vision Grant and Early Intervention Infants/Toddler program. The following funds are restricted by Illinois Statute: General Educational Development, Bus Driver, and Institute.

Committed Fund Balance – the portion of a Governmental Fund’s fund balance that is subject to self-imposed constraints or limitations that have been placed at the highest level of decision making. There are no accounts presenting a committed fund balance.

Assigned Fund Balance – the portion of a Governmental Fund’s fund balance that is denoted for an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following account comprises assigned fund balance: Medical Reimbursement.

Unassigned Fund Balance – available expendable resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the following: Counties Support, Special Services, and ROE Programs and Services.

Assets, Liabilities and Fund Equity

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

Cash and investments – The cash and investment balances of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 are valued at cost.

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

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Equity (Continued)

Due from other governments – Due from other governments represents amounts due from the Illinois State Board of Education or other local governments.

Capital assets – Capital assets, which include furniture and equipment, are reported in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 as assets with an initial, individual cost in excess of \$1,500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 5-10 years.

Property, plant and equipment in the private-purpose trust fund are recorded at cost.

Property, plant and equipment are depreciated in the private-purpose trust fund using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20
Equipment	10

Budgets and Budgetary Accounting

The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 prepares a budget for each of its grants and for the support it receives from its three counties. Some of these budgets cover different periods than the Regional Office of Education #8's fiscal year.

The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's accounting records must be sophisticated enough to both (1) assure and demonstrate compliance with each budget during the period it covers and (2) permit the reporting of the financial position and results of operations of each fund and fund type in GAAP financial statements covering its fiscal year.

Budgetary comparisons and budgetary compliance are discussed in Note 8.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 – ON-BEHALF PAYMENTS

Salaries of the Regional Superintendent and his first assistant are paid by the State of Illinois. All other salaries with the exception of employees paid by the Special Services Fund, are paid by Carroll, Jo Daviess, and Stephenson Counties. Pension plan contributions associated with these salaries are also paid respectively, by the State of Illinois and Carroll, Jo Daviess, and Stephenson Counties. Employees of the Special Services Fund and the applicable pension plan contributions are paid by the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8.

A breakdown of the on-behalf payments are as follows:

Regional Superintendent – salary	\$103,032
Regional Superintendent – benefits (includes state paid insurance)	38,597
Assistant Regional Superintendent – salary	30,912
Assistant Regional Superintendent – benefits (includes state paid insurance)	448
THIS on-behalf payments	7,405
TRS on-behalf payments	<u>263,357</u>
 Total on-behalf payments	 <u>\$443,751</u>

Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education.

NOTE 3 – DEPOSITS AND INVESTMENTS

The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's cash and cash equivalents are considered to be demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The deposit and investment of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 monies is governed by the provisions of the Illinois Compiled Statutes.

Deposits

At June 30, 2013, the carrying amount of the Regional Office of Education #8's deposits was \$2,137,282 (net of cash overdrafts) and the bank balance was \$2,231,371.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8’s deposits may not be returned. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$2,231,371 of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8’s deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8’s name.

A reconciliation of cash for the primary government is as follows:

	<u>Carrying Amount</u>
Cash – Primary Government	\$1,974,283
Cash – Private – Purpose Trusts	153,767
Cash – Agency	<u>9,232</u>
 Total	 <u>\$2,137,282</u>

Investments – Private-Purpose Trusts

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

Interest Rate Risk – Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk and Concentration of Credit Risk – Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 does not have a formal investment policy that would limit its investment choices or would limit the amount Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 may invest in one issuer.

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

June 30, 2013

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2013, investments included the following:

	<u>Morningstar Rating</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Principal fund			
Cash equivalents			
Mutual funds			
First American Prime Obligation Fund Class Y	Unrated	\$ 12,255	\$ 12,255
Fixed income investments			
Mutual funds			
Eaton Vance Global MacRo Fd Cl I	**	21,414	21,902
Nuveen Core Plus Bond I	****	310,922	310,922
Nuveen High Income Bond Fd Cl I	****	21,173	21,902
Nuveen Inflation Pro Sec Class I	****	29,073	29,073
Ridgeworth Inst US Gov Sec Ult Shrt	****	72,720	73,006
T Rowe Price Intl Bond Fund	***	27,943	29,203
Total fixed income investments		<u>483,245</u>	<u>486,008</u>
Equity investments			
Mutual funds			
Aberdeen Fds Emrgn Mkt Instl	*****	14,522	15,054
American Century Capital Value Class Inv	***	28,935	28,935
Nuveen Equity Index Fund Class I	***	35,569	35,569
Nuveen Global Infrastr Fd Cl I	****	14,302	14,399
Nuveen Mid Cap Value Fund Class I	****	6,128	6,128
Nuveen Real Estate Securities Fund Class I	*****	20,276	20,276
Price T Rowe Growth Stock Fund #40	****	26,575	26,575
Scout International Fund	***	21,518	21,693
T Rowe Price Sm Cap Value #46	***	5,503	5,504
Total equity investments		<u>173,328</u>	<u>174,133</u>
Total principal fund		<u>668,828</u>	<u>672,396</u>
Income fund			
Cash equivalents			
Mutual funds			
First American Prime Obligation Fund class Y	Unrated	23,587	23,556
Fixed income investments			
Mutual funds			
Eaton Vance Global MacRo Fund	**	9,280	9,492
Nuveen Core Plus Bond I	****	137,208	137,208
Nuveen High Income Bond Fund Class I	****	10,779	11,042
Nuveen Inflation Pro Sec Cl I	****	13,972	13,972
Nuveen Short Term Bond Fund Cl I	***	90,643	90,643
Ridgeworth Inst US Gov Sec Ult Shrt	****	29,604	29,721
T Rowe Price Intl Bond Fund	***	12,110	12,655
Total fixed income investments		<u>303,596</u>	<u>304,733</u>
Total income fund		<u>327,183</u>	<u>328,289</u>
Total investments		<u>\$ 996,011</u>	<u>\$ 1,000,685</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 4 – EMPLOYEE BENEFIT PLAN

The Regional Office of Education #8's employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by Carroll, Jo Daviess, and Stephenson Counties and the Regional Office of Education #8 through grant monies on behalf of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education staff employees and grant coordinators.

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

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

The Regional Superintendent and Assistant Regional Superintendent of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 are paid by the State of Illinois. Certain staff employees of the Regional Office of Education #8's office are employed and paid by Carroll, Jo Daviess, or Stephenson Counties (other support staff and grant coordinators are paid by the Region through grant monies). Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education has no separate employee benefit plan.

Illinois Municipal Retirement Fund

Plan Description. The Regional Office of Education #8'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 Regional Office of Education #8's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #8's Regular plan members are required to contribute 4.50 percent 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 employer contribution rate for calendar year 2012 used by the Regional Office of Education #8 was 12.94 percent. The Regional Office of Education #8 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year ending June 30, 2013, the Regional Office of Education #8's annual pension cost of \$149,451 for the Regular plan was equal to the Regional Office of Education #8's required and actual contributions.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

NOTE 4 – EMPLOYEE BENEFIT PLAN (CONTINUED)

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/13	\$149,451	100%	\$28,566
6/30/12	120,907	100%	19,899
6/30/11	113,490	100%	15,979

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education #8's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #8's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 10 year basis.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 82.11 percent funded. The actuarial accrued liability for benefits was \$1,900,264 and the actuarial value of assets was \$1,560,363, resulting in an underfunded actuarial accrued liability (UAAL) of \$339,901. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$1,087,974 and the ratio of the UAAL to the covered payroll was 31 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 5 – RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

The Regional Office of Education #8 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. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 5 – RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of the State of Illinois (Continued)

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2013, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011 the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2012 and 2011.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #8's TRS-covered employees.

- **On-behalf Contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #8. For the year ended June 30, 2013, State of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #8 recognized revenue and expenditures of \$263,357 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012, and June 30, 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent (\$145,515) and 23.10 percent (\$140,031), respectively.

The Regional Office of Education #8 makes other types of employer contributions directly to TRS.

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2013 were \$4,669. Contributions for the years ending June 30, 2012 and June 30, 2011, were \$2,485 and \$2,512, respectively.
- **Federal and Special Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #8, there is a statutory requirement for the Regional Office of Education #8 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. For the year ended June 30, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011 the employer contribution was 24.91 and 23.10 percent of salaries paid from federal and special trusts funds, respectively. For the years ended June 30, 2013, June 30, 2012 and June 30, 2011, there were no salaries that qualified for this plan.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 5 – RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of the State of Illinois (Continued)

Early Retirement Option. The Regional Office of Education #8 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member. The maximum employer ERO contribution under the current program is 117.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2013, June 30, 2012, and June 30, 2011, the Regional Office of Education #8 paid no employer contributions under the Early Retirement Option.

Salary increases over 6 percent and excess sick leave.

- If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases up to 6 percent. For the years ended June 30, 2013, June 30, 2012 and June 30, 2011, the Regional Office of Education #8 did not make any contributions to TRS for salary increases in excess of 6 percent.
- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013). For the years ended June 30, 2013, June 30, 2012, and June 30, 2011, the Regional Office of Education #8 did not make any contributions to TRS for sick leave days granted in excess of the normal annual allotment.

TRS financial information, an explanation of TRS' benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Website at <http://trs.illinois.gov>.

Teacher Health Insurance Security Fund

The Regional Office of Education #8 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 5 – RETIREMENT PLANS (CONTINUED)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS.

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 THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #8. State contributions are intended to match contributions to THIS Fund from active members which were 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were \$7,405 and the Regional Office of Education recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2012 and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of employees were \$5,141 and \$5,335, respectively.

- **Employer contributions to THIS Fund**

The Regional Office of Education #8 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.69 percent during the year ended June 30, 2013 and 0.66 percent during the years June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the Regional Office of Education #8 paid \$5,554 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the Regional Office of Education #8 paid \$2,828 and \$2,512 to the THIS Fund, respectively, which was 100 percent of the required contribution.

- **Further information on THIS Fund**

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/audit-reports/ABC-list.asp>. The 2013 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 6 - POSTEMPLOYMENT PENSION PLAN

Plan Description. In addition to providing the pension benefits described, the ROE #8 provides postemployment health care benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the ROE #8 and can be amended by the ROE #8 through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes (ILCS). The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the ROE #8 governmental funds.

Benefits Provided. The ROE #8 provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the ROE #8 retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the ROE #8 insurance provider.

Membership

At June 30, 2012 membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	-
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active vested plan members	19
Active nonvested plan members	31
	50
TOTAL	50
Participating Employers	1
	1

Funding Policy. The ROE #8 is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 6 - POSTEMPLOYMENT PENSION PLAN (CONTINUED)

Annual OPEB Costs and Net OPEB Obligation. The ROE #8 first had an actuarial valuation performed for the plan as of June 30, 2013 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2013. The ROE #8's annual OPEB cost (expense) of \$3,819 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of June 30, 2013. The ROE #8's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2013 was as follows (information for June 30, 2011 is not available as an actuarial valuation was performed for the first time as of June 30, 2012):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$3,819	\$-0-	0%	\$7,569
June 30, 2012	\$3,750	\$-0-	0%	\$3,750

The net OPEB obligation as of June 30, 2013, was calculated as follows:

Annual Required Contribution	\$3,819
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
	<hr/>
Annual OPEB Cost	3,819
Contributions Made	-
	<hr/>
Increase in Net OPEB Obligation	3,819
Net OPEB Obligation Beginning of Year	3,750
	<hr/>
NET OPEB OBLIGATION END OF YEAR	<u>\$7,569</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

NOTE 6 - POSTEMPLOYMENT PENSION PLAN (CONTINUED)

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2012, was as follows:

Actuarial Accrued Liability (AAL)	\$22,181
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	22,181
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll (Active Plan Members)	N/A
UAAL as a Percentage of Covered Payroll	0.0%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012, actuarial valuation, the entry age cost method was used. The actuarial assumptions included a discount rate of 5.00% and an initial healthcare cost trend rate of 8.00% with a ultimate healthcare inflation rate of 6.00% increase for 2015 and later years. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the ROE #8 has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized using an open, level percentage of pay method. The remaining amortization period at June 30, 2012 was 30 years.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 7- CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2013 is as follows:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental activities:				
Furniture and equipment	\$ 338,493	\$ 12,232	\$ -	\$ 350,725
Less accumulated depreciation	<u>(297,007)</u>	<u>(12,240)</u>	<u>-</u>	<u>(309,247)</u>
Total capital assets, net	<u>\$ 41,486</u>	<u>\$ (8)</u>	<u>\$ -0-</u>	<u>\$ 41,478</u>

Depreciation expense was charged as follows:

Governmental activities:

 Education:

 Depreciation expense

\$ 12,240

Fiduciary Fund:

 Private-Purpose Trust Fund

 E.H. Parriott Scholarship Trust Principal Fund:

 Farmland and land improvements

\$ 600,000

\$ -

\$ -

\$ 600,000

 Farm building improvements

291,632

-

-

291,632

 Total capital assets, at cost

891,632

-

-

891,632

 Less accumulated depreciation

(164,089)

(5,722)

-

(169,811)

 Total capital assets, net

\$ 727,543

\$ (5,722)

\$ -

\$ 721,821

Depreciation expense was charged as follows:

Fiduciary Fund:

 Private-Purpose Trust Fund

 E.H. Parriott Scholarship Trust Principal Fund

 Depreciation expense

\$ 5,722

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 8 – BUDGETARY COMPARISONS AND BUDGETARY COMPLIANCE

To demonstrate compliance with applicable budgetary requirements, GAAP financial statements generally include comparisons of actual results of operations to budgeted amounts for individual funds for which a budget is adopted for the period covered by the budget. Regional Office of Education #8 did not formally adopt a budget for the year ended June 30, 2013 and is not legally required to do so. The Illinois State Board of Education requires budgets for certain State and federal programs. Budgets for the Regional Office of Education #8's State and federal grant funds cover various periods. Budgetary comparison schedules for those periods are presented for the ROE Programs and Services Fund, Truants Alternative/Optional Ed., Early Childhood Block Grant – Age 3 to 5, Early Childhood Block Grant – Birth to Age 3, Regional Safe Schools, Learning Technology Center, ROE/ISC Operations, McKinney Homeless Grant and Title II – Teacher Quality – Leadership Program and Beginning Teacher Induction Pilot Program.

To qualify for reimbursement, grant expenditures must be obligated by the end of the applicable budget period and liquidated within 90 days thereafter. To qualify for reimbursement, grant expenditures must also not exceed approved budgeted amounts for a particular function (Improvement of Instruction Services, General Administration, Fiscal Services, etc.) and object (Salaries, Employee Benefits, Purchased Services, etc.) account code combinations by the greater of \$1,000 or 20% of the approved budgeted amount. Amendments to shift amounts from one function/object account code combination to another must be submitted to the ISBE for approval by 30 days prior to the end of the applicable budget period.

All grant expenditure amounts for which the Regional Office of Education #8 claimed reimbursement, and for which grant revenue is reported in these financial statements, were obligated and liquidated on a timely basis. All such expenditure amounts were within the function/object account classification limits of final approved amended budgets.

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 2013 were:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Education Fund		
Regional Safe Schools	\$ -0-	\$ 65,000
Learning Technology Center	-0-	10,000
Early Intervention Infants/Toddlers	-0-	115,000
General Fund		
Special Services		10,000
ROE Programs and Services	200,000	-0-
Private-Purpose Trust Fund		
Expendable Trust Fund		
E.H. Parriott Scholarship Trust Income	17,401	-0-
Nonexpendable Trust Fund		
E.H. Parriott Scholarship Trust Principal	-0-	17,401
	<u>\$ 217,401</u>	<u>\$ 217,401</u>
Total		

NOTE 10 - TRANSFERS

Fiscal year ended June 30, 2013, interfund transfers were:

<u>Fund</u>	<u>In</u>	<u>Out</u>
Education Fund		
Beginning Teacher Induction Pilot Program	\$ -0-	\$ 5,168
Enterprise Fund		
Workshops	5,168	-0-
Private-Purpose Trust Fund		
E.H. Parriott Scholarship Trust Income	158,404	
E.H. Parriott Scholarship Trust Principal		158,404
	<u>\$ 163,572</u>	<u>\$ 163,572</u>
Total		

NOTE 11 - DISPOSITION OF DISTRIBUTIVE FUND INTEREST

Interest earned on the investment of the Distributive Fund is remitted by the Regional Office of Education #8 to the Carroll, Jo Daviess, Stephenson Intergovernmental Agreement.

NOTE 12 - LEASES

The E.H. Parriott Scholarship Trust is the lessor of several parcels of farm land and attached buildings under various separate lease arrangements ranging from month-to-month rentals on buildings to 3-year noncancellable leases on farm land. Rental income for the fiscal year ended June 30, 2013 was \$137,159. Minimum future rental income on the above noncancellable leases on farm land as of June 30, 2013 were:

<u>Year Ended June 30,</u>	
2014	\$ 120,144
2015	106,930
2016	85,928
2017	38,429
	<u>\$ 351,431</u>
Total	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 13 - DUE TO/FROM OTHER GOVERNMENTS

The Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8's General, Special Revenue, and Agency Funds have funds due to and due from various other governmental units which consist of the following:

Due from Other Governments

General		
Special Services		
Other local entities - payroll	\$	44,203
ROE Programs and Services		
Other local entities - payroll		26,345
Other local entity - start-up loan		10,000
Education		
McKinney Homeless Grant		
Other local entity		1,770
Learning Technology Center		
Illinois State Board of Education		3,258
Title II - Teacher Quality Leadership Grant		
Illinois State Board of Education		5,100
Workforce Investment Act		
Partners for Employment		9,448
Early Intervention Infants/Toddlers		
Illinois Department of Human Services		48,437
Early Childhood Block Grants		
Illinois State Board of Education		131,792
Regional Safe Schools		
Illinois State Board of Education		6,148
ROE Operations		
Illinois State Board of Education		2,281
		<u>2,281</u>
Total	\$	<u>288,782</u>

Due to Other Governments

General Fund		
ROE Programs and Services		
Other entities and local school districts	\$	43,129
Agency Fund		
Distributive Fund		
Other entities and local school districts		5,560
Distributive Interest Fund		3,672
		<u>3,672</u>
Total	\$	<u>52,361</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

NOTE 14 – OPERATING LEASES:

On July 1, 2012, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 entered into a lease agreement with Freeport School District #145 for real property located at 302 West Exchange Street in Freeport, Illinois. The term of the lease is thirty-six months effective July 1, 2012 with original rent at \$2,338 per month. The lease will continue after the original term on a month-to-month basis unless written notice of cancellation is given by either party at least sixty days prior to the end of the original term. Rent increases would then be at the discretion of the Freeport School District. However, notice must be given to the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 sixty days prior to any rent increase.

On June 1, 2012, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 entered into a lease agreement with Stockton Community Unit School District #206 for office space located at 500 North Rush Street in Stockton, Illinois. The term of the lease is twelve months effective June 1, 2012 with original rent of \$16,000 annually. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 will pay \$2,576 of the annual rent. The remaining \$13,424 will be paid individually by Carroll, Jo Daviess, and Stephenson Counties. This lease was continued at May 31, 2013 on a month by month basis through August 2013.

On July 1, 2012, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 entered into a lease agreement with Schmitt Partners, L.P. for office space located at 2317 E. Lincolnway, Suite C in Sterling, Illinois. The term of the lease is twelve months from July 1, 2012 to July 1, 2013 with rent of \$465 per month.

On June 9, 2009, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 entered into a lease agreement with Oehlert Rentals LLC for office space located at 1770 West State Street in Sycamore, Illinois. The term of the lease is twelve months effective July 1, 2009 with original rent at \$523 per month. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 renewed the lease on July 1, 2013 for twelve months with rent of \$522.50 per month.

On June 11, 2013, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 entered into a lease agreement with 27 State Centre LLC for office space located at 27 South State Avenue, Freeport, Illinois. The term of the lease is 10 years effective August 1, 2013, with original rent at \$2,267.69 per month with annual increases. Carroll, Jo Daviess, and Stephenson Counties will pay \$13,424 of the annual rent and the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 will pay the difference.

Total rent expense for the year was \$42,482.

Total future minimum lease commitment at June 30, 2013 is as follows:

2014	\$ 62,956
2015	56,175
2016	28,957
2017	29,794
2018 and later years	195,649
	\$373,531

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 15 - RISK MANAGEMENT

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

NOTE 16 - NEW ACCOUNTING PRONOUNCEMENTS

In 2013, Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education #8 implemented Governmental Accounting Standards Board (GASB) Statements No. 60, *The Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 61, *The Financial Reporting Entity: Omnibus on amendment of GASB Statement No. 14 and No. 34*; and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Regional Office of Education #8 implemented these standards during the current year, however, GASB Statement No. 60 and GASB Statement No. 61, had no impact on the financial statements. The implementation of GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

NOTE 17 – SUBSEQUENT EVENTS

The management of Regional Office of Education #8 has evaluated subsequent events through March 19, 2014, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2013 have been incorporated herein. There are no subsequent events that require disclosure.

REQUIRED SUPPLEMENTAL INFORMATION
(Other than Management's Discussion and Analysis)

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
SCHEDULE OF FUNDING PROGRESS –
ILLINOIS MUNICIPAL RETIREMENT FUND AND POST-EMPLOYMENT
BENEFITS OTHER THAN PENSION (Unaudited)**

June 30, 2013

Schedule of Funding Progress – Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	1,560,363	1,900,264	339,901	82.11%	1,087,974	31.24%
12/31/11	1,306,834	1,634,082	327,248	79.97%	928,216	35.26%
12/31/10	1,125,091	1,501,170	376,079	74.95%	992,222	37.90%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$1,624,873.
On a market basis, the funded ratio would be 85.51%

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Carroll, Jo Daviess, and Stephenson Counties ROE #8. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Schedule of Funding Progress – Post-Employment Benefits Other Than Pension

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/12	\$ -0-	\$22,181	\$22,181	0.0%	N/A	0.0%

SUPPLEMENTAL INFORMATION

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2013

	Counties	ROE			
	<u>Support</u>	Programs and Services	Medical Reimbursement	Special Services	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 3,744	\$ 826,118	\$ 420	\$ 84,811	\$ 915,093
Due from other funds	-	200,000	-	-	200,000
Due from other governments	-	36,345	-	44,203	80,548
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 3,744</u>	<u>\$ 1,062,463</u>	<u>\$ 420</u>	<u>\$ 129,014</u>	<u>\$ 1,195,641</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accrued expenses	\$ -	\$ 405	\$ -	\$ 64,708	\$ 65,113
Due to other governments	-	43,129	-	-	43,129
Due to other funds	-	-	-	10,000	10,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>-</u>	<u>43,534</u>	<u>-</u>	<u>74,708</u>	<u>118,242</u>
FUND BALANCES					
Assigned	-	-	420	-	420
Unassigned	3,744	1,018,929	-	54,306	1,076,979
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>3,744</u>	<u>1,018,929</u>	<u>420</u>	<u>54,306</u>	<u>1,077,399</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,744</u>	<u>\$ 1,062,463</u>	<u>\$ 420</u>	<u>\$ 129,014</u>	<u>\$ 1,195,641</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
Year Ended June 30, 2013

	<u>Counties</u> <u>Support</u>	<u>ROE</u> <u>Programs</u> <u>and Services</u>	<u>Medical</u> <u>Reim-</u> <u>bursement</u>	<u>Special</u> <u>Services</u>	<u>Totals</u>
REVENUES:					
Local sources	\$ 99,292	\$ 853,049	\$ 3,638	\$ 118,134	\$ 1,074,113
State sources	-	179,953	-	368,647	548,600
Federal sources	-	8,213	-	-	8,213
On-behalf payments	<u>443,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>443,751</u>
Total revenues	<u>543,043</u>	<u>1,041,215</u>	<u>3,638</u>	<u>486,781</u>	<u>2,074,677</u>
EXPENDITURES:					
Education:					
Salaries	65,122	536,391	-	430,804	1,032,317
Employee benefits	10,506	132,998	-	-	143,504
Purchased services	20,017	254,624	3,550	30,688	308,879
Supplies and materials	2,522	10,192	-	1,343	14,057
Other objects	-	-	-	1,915	1,915
Payments to other governments	-	4,379	-	10,711	15,090
On-behalf payments	443,751	-	-	-	443,751
Capital outlay	<u>-</u>	<u>1,931</u>	<u>-</u>	<u>-</u>	<u>1,931</u>
Total expenditures	<u>541,918</u>	<u>940,515</u>	<u>3,550</u>	<u>475,461</u>	<u>1,961,444</u>
NET CHANGE IN FUND BALANCE	1,125	100,700	88	11,320	113,233
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>2,619</u>	<u>918,229</u>	<u>332</u>	<u>42,986</u>	<u>964,166</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,744</u>	<u>\$ 1,018,929</u>	<u>\$ 420</u>	<u>\$ 54,306</u>	<u>\$ 1,077,399</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
Year Ended June 30, 2013

	ROE Programs and Services		Actual Amounts	Variance with Final Budget
	Budgeted Amounts			
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ 796,525	\$ 796,525	\$ 853,049	\$ 56,524
State sources	188,000	188,000	179,953	(8,047)
Federal sources	<u>4,420</u>	<u>4,420</u>	<u>8,213</u>	<u>3,793</u>
Total revenues	<u>988,945</u>	<u>988,945</u>	<u>1,041,215</u>	<u>52,270</u>
EXPENDITURES:				
Education:				
Salaries	549,135	549,135	536,391	12,744
Employee benefits	153,031	153,031	132,998	20,033
Purchased services	252,920	252,920	254,624	(1,704)
Supplies and materials	4,100	4,100	10,192	(6,092)
Payments to other governments	-	-	4,379	(4,379)
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>1,931</u>	<u>3,069</u>
Total expenditures	<u>964,186</u>	<u>964,186</u>	<u>940,515</u>	<u>23,671</u>
NET CHANGE IN FUND BALANCE	<u>\$ 24,759</u>	<u>\$ 24,759</u>	100,700	<u>\$ 75,941</u>
FUND BALANCE, BEGINNING OF YEAR			<u>918,229</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,018,929</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2013

	<u>Truants Alternative/ Optional Ed.</u>	<u>Early Childhood Block Grants</u>	<u>Regional Safe Schools</u>	<u>Learning Technology Center</u>	<u>Hearing and Vision Grant</u>	<u>Early Intervention Infants/ Toddlers</u>
ASSETS						
Cash and cash equivalents	\$ 22,960	\$ 740,276	\$ 58,852	\$ 6,742	\$ 1,604	\$ 72,031
Due from other governments	<u>-</u>	<u>131,792</u>	<u>6,148</u>	<u>3,258</u>	<u>-</u>	<u>48,437</u>
TOTAL ASSETS	<u>\$ 22,960</u>	<u>\$ 872,068</u>	<u>\$ 65,000</u>	<u>\$ 10,000</u>	<u>\$ 1,604</u>	<u>\$ 120,468</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	22,960	44,116	-	-	131	1,131
Due to other funds	-	-	65,000	10,000	-	115,000
Deferred revenue	-	<u>827,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	22,960	872,068	65,000	10,000	131	116,131
FUND BALANCES						
Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,473</u>	<u>4,337</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,960</u>	<u>\$ 872,068</u>	<u>\$ 65,000</u>	<u>\$ 10,000</u>	<u>\$ 1,604</u>	<u>\$ 120,468</u>

<u>ROE/ISC Operations</u>	<u>Workforce Investment Act</u>	<u>McKinney Homeless Grant</u>	<u>Title II - Teacher Quality - Leadership Program</u>	<u>Beginning Teacher Induction Pilot Program</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 902,465
<u>2,281</u>	<u>9,448</u>	<u>1,770</u>	<u>5,100</u>	<u>-</u>	<u>208,234</u>
<u>\$ 2,281</u>	<u>\$ 9,448</u>	<u>\$ 1,770</u>	<u>\$ 5,100</u>	<u>\$ -</u>	<u>\$ 1,110,699</u>
\$ 2,281	\$ 3,301	\$ 1,770	\$ 5,100	\$ -	12,452
-	6,147	-	-	-	74,485
-	-	-	-	-	190,000
-	-	-	-	-	827,952
<u>2,281</u>	<u>9,448</u>	<u>1,770</u>	<u>5,100</u>	<u>-</u>	<u>1,104,889</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,810</u>
<u>\$ 2,281</u>	<u>\$ 9,448</u>	<u>\$ 1,770</u>	<u>\$ 5,100</u>	<u>\$ -</u>	<u>\$ 1,110,699</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2013

	<u>Truants Alternative/ Optional Ed.</u>	<u>Early Childhood Block Grants</u>	<u>Regional Safe Schools</u>	<u>Learning Technology Center</u>	<u>Hearing and Vision Grant</u>
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 2,308
State sources	130,905	2,491,002	61,482	36,596	4,320
Federal sources	-	-	-	-	-
Total revenues	<u>130,905</u>	<u>2,491,002</u>	<u>61,482</u>	<u>36,596</u>	<u>6,628</u>
EXPENDITURES:					
Education:					
Salaries	77,358	309,061	38,851	12,094	4,397
Employee benefits	22,266	78,121	11,985	908	1,360
Purchased services	23,471	550,244	7,959	23,594	717
Supplies and materials	3,495	86,055	2,687	-	84
Other objects	-	5,709	-	-	-
Payments to other governments	4,315	1,455,198	-	-	-
Capital outlay	-	6,614	-	-	-
Total expenditures	<u>130,905</u>	<u>2,491,002</u>	<u>61,482</u>	<u>36,596</u>	<u>6,558</u>
Excess/(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70</u>
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,403</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,473</u>

<u>Early Intervention Infants/ Toddlers</u>	<u>ROE/ISC Operations</u>	<u>Workforce Investment Act</u>	<u>McKinney Homeless Grant</u>	<u>Title II - Teacher Quality - Leadership Program</u>	<u>Beginning Teacher Induction Pilot Program</u>	<u>Totals</u>
\$ 900	\$ -	\$ 99,336	\$ -	\$ -	\$ -	\$ 102,544
437,926	27,328	-	-	-	-	3,189,559
158,311	-	-	13,226	5,100	-	176,637
<u>597,137</u>	<u>27,328</u>	<u>99,336</u>	<u>13,226</u>	<u>5,100</u>	<u>-</u>	<u>3,468,740</u>
335,406	16,802	52,704	7,840	-	-	854,513
125,101	2,347	15,463	2,395	-	-	259,946
115,111	7,111	26,206	1,991	5,100	-	761,504
10,563	1,068	2,099	1,000	-	-	107,051
-	-	-	-	-	-	5,709
-	-	2,864	-	-	-	1,462,377
12,875	-	-	-	-	-	19,489
<u>599,056</u>	<u>27,328</u>	<u>99,336</u>	<u>13,226</u>	<u>5,100</u>	<u>-</u>	<u>3,470,589</u>
(1,919)	-	-	-	-	-	(1,849)
-	-	-	-	-	(5,168)	(5,168)
(1,919)	-	-	-	-	(5,168)	(7,017)
<u>6,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,168</u>	<u>12,827</u>
<u>\$ 4,337</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,810</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

	Truants Alternative/ Optional Ed.			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	130,905	130,905	130,905	-
Federal sources	-	-	-	-
Total revenues	<u>130,905</u>	<u>130,905</u>	<u>130,905</u>	<u>-</u>
EXPENDITURES:				
Education:				
Salaries	71,874	71,874	77,358	(5,484)
Employee benefits	26,983	26,983	22,266	4,717
Purchased services	29,753	26,753	23,471	3,282
Supplies and materials	2,295	5,295	3,495	1,800
Other objects	-	-	-	-
Payments to other governments	-	-	4,315	(4,315)
Capital outlay	-	-	-	-
Total expenditures	<u>130,905</u>	<u>130,905</u>	<u>130,905</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

Early Childhood Block Grant
Age 3 to 5

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	1,625,617	1,625,617	1,898,969	273,352
Federal sources	-	-	-	-
Total revenues	<u>1,625,617</u>	<u>1,625,617</u>	<u>1,898,969</u>	<u>273,352</u>
EXPENDITURES:				
Education:				
Salaries	168,776	172,299	188,290	(15,991)
Employee benefits	44,457	44,522	44,260	262
Purchased services	162,151	164,011	137,238	26,773
Supplies and materials	55,300	79,279	72,211	7,068
Other objects	-	-	-	-
Payments to other governments	1,187,398	1,152,198	1,455,198	(303,000)
Capital outlay	<u>7,535</u>	<u>13,308</u>	<u>1,772</u>	<u>11,536</u>
Total expenditures	<u>1,625,617</u>	<u>1,625,617</u>	<u>1,898,969</u>	<u>(273,352)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

Early Childhood Block Grant
Birth to Age 3

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	455,542	455,542	592,033	136,491
Federal sources	-	-	-	-
Total revenues	<u>455,542</u>	<u>455,542</u>	<u>592,033</u>	<u>136,491</u>
EXPENDITURES:				
Education:				
Salaries	106,499	106,499	120,771	(14,272)
Employee benefits	32,610	32,610	33,861	(1,251)
Purchased services	312,903	310,663	413,006	(102,343)
Supplies and materials	3,530	5,770	13,844	(8,074)
Other objects	-	-	5,709	(5,709)
Payments to other governments	-	-	-	-
Capital outlay	-	-	4,842	(4,842)
Total expenditures	<u>455,542</u>	<u>455,542</u>	<u>592,033</u>	<u>(136,491)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

	Regional Safe Schools			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	61,482	61,482	61,482	-
Federal sources	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	61,482	61,482	61,482	-
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES:				
Education:				
Salaries	32,376	38,851	38,851	-
Employee benefits	16,406	11,985	11,985	-
Purchased services	9,154	7,959	7,959	-
Supplies and materials	3,546	2,687	2,687	-
Other objects	-	-	-	-
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	61,482	61,482	61,482	-
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	\$ -	\$ -	-	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, BEGINNING OF YEAR			-	
			<hr/>	
FUND BALANCE, END OF YEAR			\$ -	
			<hr/>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

	Learning Technology Center			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -		\$ -
State sources	36,596	36,596	36,596	-
Federal sources	-	-	-	-
	-	-	-	-
Total revenues	36,596	36,596	36,596	-
EXPENDITURES:				
Education:				
Salaries	31,358	10,838	12,094	(1,256)
Employee benefits	2,738	1,026	908	118
Purchased services	2,500	24,732	23,594	1,138
Supplies and materials	-	-	-	-
Other objects	-	-	-	-
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
	-	-	-	-
Total expenditures	36,596	36,596	36,596	-
NET CHANGE IN FUND BALANCES	\$ -	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			\$ -	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

	ROE/ISC Operations			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	27,328	27,328	27,328	-
Federal sources	-	-	-	-
Total revenues	<u>27,328</u>	<u>27,328</u>	<u>27,328</u>	<u>-</u>
EXPENDITURES:				
Education:				
Salaries	16,000	16,000	16,802	(802)
Employee benefits	2,070	2,070	2,347	(277)
Purchased services	7,941	7,941	7,111	830
Supplies and materials	1,317	1,317	1,068	249
Other objects	-	-	-	-
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>27,328</u>	<u>27,328</u>	<u>27,328</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

	McKinney Homeless Grant			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	<u>16,295</u>	<u>17,295</u>	<u>13,226</u>	<u>(4,069)</u>
Total revenues	<u>16,295</u>	<u>17,295</u>	<u>13,226</u>	<u>(4,069)</u>
EXPENDITURES:				
Education:				
Salaries	8,075	8,075	7,840	235
Employee benefits	3,604	3,604	2,395	1,209
Purchased services	3,318	3,818	1,991	1,827
Supplies and materials	1,298	1,798	1,000	798
Other objects	-	-	-	-
Payments to other governments	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>16,295</u>	<u>17,295</u>	<u>13,226</u>	<u>4,069</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

**Title II - Teacher Quality
Leadership Program**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	<u>5,100</u>	<u>5,100</u>	<u>5,100</u>	<u>-</u>
Total revenues	<u>5,100</u>	<u>5,100</u>	<u>5,100</u>	<u>-</u>
EXPENDITURES:				
Education:				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	5,100	5,100	5,100	-
Supplies and materials	-	-	-	-
Other objects	-	-	-	-
Payments to other governments	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,100</u>	<u>5,100</u>	<u>5,100</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

	Beginning Teacher Induction Pilot Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	61,908	61,908	-	(61,908)
Federal sources	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	61,908	61,908	-	(61,908)
EXPENDITURES:				
Education:				
Salaries	3,500	3,500	-	3,500
Employee benefits	1,750	1,750	-	1,750
Purchased services	2,158	2,158	-	2,158
Supplies and materials	500	500	-	500
Other objects	-	-	-	-
Payments to other governments	54,000	54,000	-	54,000
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	61,908	61,908	-	61,908
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)				
Transfers out			(5,168)	
FUND BALANCE, BEGINNING OF YEAR			<u>5,168</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

	<u>Total</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	2,399,378	2,399,378	2,747,313	347,935
Federal sources	<u>21,395</u>	<u>22,395</u>	<u>18,326</u>	<u>(4,069)</u>
Total revenues	<u>2,420,773</u>	<u>2,421,773</u>	<u>2,765,639</u>	<u>343,866</u>
EXPENDITURES:				
Education:				
Salaries	438,458	427,936	462,006	(34,070)
Employee benefits	130,618	124,550	118,022	6,528
Purchased services	534,978	553,135	619,470	(66,335)
Supplies and materials	67,786	96,646	94,305	2,341
Other objects	-	-	5,709	(5,709)
Payments to other governments	1,241,398	1,206,198	1,459,513	(253,315)
Capital outlay	<u>7,535</u>	<u>13,308</u>	<u>6,614</u>	<u>6,694</u>
Total expenditures	<u>2,420,773</u>	<u>2,421,773</u>	<u>2,765,639</u>	<u>(343,866)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)				
Transfers out			\$ (5,168)	
FUND BALANCE, BEGINNING OF YEAR			<u>5,168</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2013

ASSETS	General Educational Development	Bus Driver	Annexation	Institute	Totals
Cash and cash equivalents	\$ 8,678	\$ 5,833	\$ -	\$ 66,863	\$ 81,374
TOTAL ASSETS	<u>\$ 8,678</u>	<u>\$ 5,833</u>	<u>\$ -</u>	<u>\$ 66,863</u>	<u>\$ 81,374</u>
FUND BALANCES					
Restricted	\$ 8,678	\$ 5,833	\$ -	\$ 66,863	\$ 81,374
TOTAL FUND BALANCES	<u>\$ 8,678</u>	<u>\$ 5,833</u>	<u>\$ -</u>	<u>\$ 66,863</u>	<u>\$ 81,374</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2013

	General Educational Development	Bus Driver	Annexation	Institute	Totals
REVENUES:					
Local sources	\$ 9,556	\$ 1,491	\$ 673	\$ 36,968	\$ 48,688
State sources	-	942	-	-	942
Total revenues	<u>9,556</u>	<u>2,433</u>	<u>673</u>	<u>36,968</u>	<u>49,630</u>
EXPENDITURES:					
Education:					
Salaries	375	-	-	-	375
Employee benefits	5	-	-	-	5
Purchased services	2,372	1,012	1,273	25,731	30,388
Supplies and materials	2,488	35	-	616	3,139
Total expenditures	<u>5,240</u>	<u>1,047</u>	<u>1,273</u>	<u>26,347</u>	<u>33,907</u>
NET CHANGE IN FUND BALANCES	4,316	1,386	(600)	10,621	15,723
FUND BALANCE, BEGINNING OF YEAR	<u>4,362</u>	<u>4,447</u>	<u>600</u>	<u>56,242</u>	<u>65,651</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,678</u>	<u>\$ 5,833</u>	<u>\$ -</u>	<u>\$ 66,863</u>	<u>\$ 81,374</u>

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

June 30, 2013

	E.H. Parriott Scholarship Trust Principal <u>Fund</u>	E.H. Parriott Scholarship Trust Income <u>Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 153,767	\$ 153,767
Investments	668,828	327,183	996,011
Rent receivable	16,736	-	16,736
Interest receivable	1,703	757	2,460
Due from other funds	-	17,401	17,401
Property and equipment, net	<u>721,821</u>	<u>-</u>	<u>721,821</u>
Total assets	<u>1,409,088</u>	<u>499,108</u>	<u>1,908,196</u>
LIABILITIES			
Accounts payable	-	8,281	8,281
Due to other funds	17,401	-	17,401
Deposits	2,000	-	2,000
Deferred revenue	<u>12,866</u>	<u>-</u>	<u>12,866</u>
Total liabilities	<u>32,267</u>	<u>8,281</u>	<u>40,548</u>
NET POSITION			
Held in trust for other purposes	<u>\$ 1,376,821</u>	<u>\$ 490,827</u>	<u>\$ 1,867,648</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
Year Ended June 30, 2013

	E.H. Parriott Scholarship Trust Principal Fund	E.H. Parriott Scholarship Trust Income Fund	Total
ADDITIONS:			
Local sources			
Rent	\$ 137,159	\$ -	\$ 137,159
CRP payment	-	1,911	1,911
Interest and dividends	24,490	9,779	34,269
Miscellaneous income	-	702	702
Realized gain (loss) on investments	16,712	(453)	16,259
Unrealized gain (loss) on investments	5,510	-	5,510
Total additions	<u>183,871</u>	<u>11,939</u>	<u>195,810</u>
DEDUCTIONS:			
Purchased services	-	60,012	60,012
Scholarships	-	66,500	66,500
Depreciation	5,722	-	5,722
Total deductions	<u>5,722</u>	<u>126,512</u>	<u>132,234</u>
EXCESS (DEFICIENCY) OF ADDITIONS OVER (UNDER) DEDUCTIONS	<u>178,149</u>	<u>(114,573)</u>	<u>63,576</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	158,404	158,404
Transfers out	(158,404)	-	(158,404)
Total other financing sources (uses)	<u>(158,404)</u>	<u>158,404</u>	<u>-</u>
CHANGES IN NET POSITION	19,745	43,831	63,576
NET POSITION, BEGINNING OF YEAR	<u>1,357,076</u>	<u>446,996</u>	<u>1,804,072</u>
NET POSITION, END OF YEAR	<u>\$ 1,376,821</u>	<u>\$ 490,827</u>	<u>\$ 1,867,648</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
 June 30, 2013

	Distributive Fund	Distributive Interest Fund	Total
ASSETS			
Cash and cash equivalents	\$ <u>5,560</u>	\$ <u>3,672</u>	\$ <u>9,232</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other governmental units	\$ <u>5,560</u>	\$ <u>3,672</u>	\$ <u>9,232</u>

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2013

	<u>Balance,</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2013</u>
DISTRIBUTIVE FUND				
ASSETS				
Cash and cash equivalents	\$ 535	\$ 4,109,357	\$ 4,104,332	\$ 5,560
LIABILITIES				
Due to other governmental units	\$ 535	\$ 4,109,357	\$ 4,104,332	\$ 5,560
DISTRIBUTIVE INTEREST FUND				
ASSETS				
Cash and cash equivalents	\$ 3,488	\$ 184	\$ -	\$ 3,672
LIABILITIES				
Due to other governmental units	\$ 3,488	\$ 184	\$ -	\$ 3,672
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 4,023	\$ 4,109,541	\$ 4,104,332	\$ 9,232
LIABILITIES				
Due to other governmental units	\$ 4,023	\$ 4,109,541	\$ 4,104,332	\$ 9,232

CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION #8
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2013

<u>Program</u>	<u>Eagle Ridge Vocational Delivery System</u>	<u>Carroll-Jo DavieSS- Stephenson ROE</u>	<u>East Dubuque School District #119</u>	<u>Galena Unit School District #120</u>	<u>Lena-Winslow Community Unit School District #202</u>
General State Aid	\$ -	\$ 526,316	\$ -	\$ -	\$ -
Voc. Ed - Secondary Program Improvement	346,082	-	-	-	-
State Free Lunch and Breakfast	-	213	-	-	-
ROE School Bus Driver Training	-	942	-	-	-
Truants Alternative Optional Education	-	160,141	-	-	-
Regional Safe Schools	-	72,072	-	-	-
Early Childhood Block Grant	-	1,967,727	-	-	-
ROE/ISC Operations	-	25,047	-	-	-
Learning Technology Centers	-	41,874	-	-	-
National School Lunch Program	-	9,524	-	-	-
Voc. Ed - Perkins Title IIC Secondary	61,765	-	-	-	-
Jo DavieSS County School Facilities Sales Tax	-	-	183,416	218,641	2,124
Totals	<u>\$ 407,847</u>	<u>\$ 2,803,856</u>	<u>\$ 183,416</u>	<u>\$ 218,641</u>	<u>\$ 2,124</u>

Pearl City Community Unit School District #200	River Ridge Community Unit School District #210	Scales Mound Community Unit School District #211	Stockton Community Unit School District #206	Warren Community Unit School District #205	West Carroll Community Unit School District #314	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 526,316
-	-	-	-	-	-	346,082
-	-	-	-	-	-	213
-	-	-	-	-	-	942
-	-	-	-	-	-	160,141
-	-	-	-	-	-	72,072
-	-	-	-	-	-	1,967,727
-	-	-	-	-	-	25,047
-	-	-	-	-	-	41,874
-	-	-	-	-	-	9,524
-	-	-	-	-	-	61,765
<u>656</u>	<u>139,074</u>	<u>67,960</u>	<u>161,878</u>	<u>118,458</u>	<u>422</u>	<u>892,629</u>
\$ 656	\$ 139,074	\$ 67,960	\$ 161,878	\$ 118,458	\$ 422	\$ 4,104,332