



**STATE OF ILLINOIS
CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8**

**FINANCIAL AUDIT
For the Year Ended June 30, 2023**

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

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8**

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**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8**

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**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8**

OFFICIALS

Regional Superintendent
(current and during the audit period)

Honorable Aaron Mercier

Assistant Regional Superintendent
(July 1, 2023 through current)

Mr. Christopher Shockey

Assistant Regional Superintendent
(During the audit period through June 30, 2023)

Ms. Jen Newendyke

Office is located at:

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

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 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	2	-
Repeated audit findings	-	-
Prior recommendations implemented or not repeated	-	2

Details of 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>
<i>Findings (Government Auditing Standards)</i>			
2023-001	11	Lack of Adequate Controls over Review of Internal Controls over External Service Providers	Significant Deficiency
2023-002	13	Inadequate Internal Controls over Disposal of Capital Assets	Significant Deficiency

Prior Audit Findings not Repeated (Government Auditing Standards)

None

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8
FINANCIAL REPORT SUMMARY**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on October 30, 2023. Attending from the Regional Office of Education No. 8 were Aaron Mercier, Regional Superintendent; and Misty Keisel, Bookkeeper; and from Adelfia LLC were Maria Divina Valera, Partner, and Carl Ong, Audit Manager. Responses to the recommendations were provided by Aaron Mercier, Regional Superintendent, on January 10, 2024. Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8 waived an exit conference in a correspondence from Aaron Mercier, Regional Superintendent, on January 10, 2024.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8 was performed by Adelfia LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8's basic financial statements.



INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Audit of the Financial Statements

Opinions

As Special Assistant Auditors for the Auditor General, we have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8, as of June 30, 2023, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Regional Office of Education No. 8, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter-Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education No. 8's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Regional Office of Education No. 8's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8's basic financial statements. The combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the cash basis combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the cash basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2024, on our consideration of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
March 11, 2024



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash basis 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 No. 8, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8’s basic financial statements, and have issued our report thereon dated March 11, 2024.

Report on Internal Control Over Financial Reporting

Management of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8 is responsible for establishing and maintaining effective internal control over financial reporting (internal control).

In planning and performing our audit of the financial statements, we considered the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8’s internal control as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 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 second paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

Regional Office of Education No. 8’s Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Regional Office of Education No. 8’s responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The Regional Office of Education No. 8’s responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 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 No. 8’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
March 11, 2024

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8
SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITOR’S RESULTS
For the Year Ended June 30, 2023**

Financial Statements in accordance with Cash Basis

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

Noncompliance material to financial statements noted?

yes no

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2023**

FINDING 2023-001 – Lack of Adequate Controls over Review of Internal Controls over External Service Providers

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Office of Education No. 8 is responsible for the design, implementation, and maintenance of internal controls, including the controls that are outsourced to service providers, related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced.

Generally accepted information technology guidance endorses the review and assessment of internal controls related to information systems and operations to assure accurate processing and security of information.

CONDITION:

During testing, the auditors noted the Regional Office of Education No. 8 had not:

- Developed a formal process for identifying service providers and for either obtaining the Service Organization Controls (SOC) reports from the service providers and related subservice organization or performing alternative procedures to determine the impact of such services on its internal control environment on an annual basis.
- Documented its review of each of the SOC reports, or performed alternative procedures, to evaluate any issues relevant to the ROE's internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 8's operations.

EFFECT:

Without having obtained and reviewed a SOC report or another form of independent internal controls review, the Regional Office of Education No. 8 does not have an assurance the external service provider's and its subservice organization's internal controls are adequate.

CAUSE:

The Regional Office of Education No. 8 Officials indicated they understand the importance of a formal process to monitor service providers and due to competing priorities, they were still not able to address the issues noted.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2023**

FINDING 2023-001 – Lack of Adequate Controls over Review of Internal Controls over External Service Providers (Continued)

RECOMMENDATION:

We recommend the Regional Office of Education No. 8 identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 8 should:

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems including services provided by subservice organizations, at least annually.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 8's operations.
- Document its review of the SOC reports or perform alternative procedures to evaluate all significant issues to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 8, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

MANAGEMENT'S RESPONSE:

ROE No. 8 understands the importance of this finding and has consulted with other ROEs on a best practice procedure to comply with this requirement. Our corrective action indicates a new procedural plan as follows:

- Obtain Service Organization Controls (SOC) reports from providers on an annual basis in December of each year.
- Regional Superintendent or Asst. Regional Superintendent reviews and initials SOC reports.
- Regional Superintendent or Asst. Regional Superintendent reviews any significant issues with providers and ascertains if a corrective action plan exists.
- Regional Superintendent or Asst. Regional Superintendent reviews contracts with service providers to ensure applicable requirements over independent review of internal controls are included.
- Regional Superintendent or Asst. Regional Superintendent monitors Complementary User Entity Controls (CUEC's) relevant to ROE #8.
- ROE No. 8 will refer any concerns to our technology support contractor.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2023**

FINDING 2023-002 - Inadequate Internal Controls over Disposal of Capital Assets

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Office of Education (ROE) Accounting Manual requires each ROE to maintain detailed fixed assets for accounting purposes, as well as insurance purposes, for fixed assets costing \$500 or more. In addition, sound internal controls require that policies and procedures on fixed assets should cover acquisition and tagging, recording and reporting, depreciation (if applicable), transfers and dispositions, an annual physical inventory, and they should be formally documented and consistently applied.

CONDITION:

We noted 5 of 5 disposed equipment tested (100%), had no documentation of approval for the disposal.

EFFECT:

Lack of sufficient internal controls over capital assets of the Regional Office could result in unintentional or intentional errors or misappropriation of assets which may not be detected in a timely manner by employees or management in the normal course of performing their assigned duties.

CAUSE:

The Regional Office of Education No. 8 indicated competing priorities resulted in not having adequate controls over the maintenance of the disposal of capital assets.

RECOMMENDATION:

The Regional Office of Education No. 8 should establish and document internal control procedures to ensure disposal of capital assets is properly maintained.

MANAGEMENT RESPONSE:

ROE No. 8 understands the nature of this finding, and has begun to implement a corrective action plan, which should be fully implemented by June 30, 2024. ROE No. 8 will add an equipment disposal section to our current inventory log and advise Program Coordinators to document approval to dispose of equipment (items over \$500). Our Grants Coordinator manages the current inventory log and will be responsible for implementing this procedure.

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2023**

CORRECTIVE ACTION PLAN

FINDING 2023-001 – Lack of Adequate Controls over Review of Internal Controls over External Service Providers

CONDITION:

During testing, the auditors noted the Regional Office of Education No. 8 had not:

- Developed a formal process for identifying service providers and for either obtaining the Service Organization Controls (SOC) reports from the service providers and related subservice organization or performing alternative procedures to determine the impact of such services on its internal control environment on an annual basis.
- Documented its review of each of the SOC reports, or performed alternative procedures, to evaluate any issues relevant to the ROE’s internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 8’s operations.

PLAN:

ROE No. 8 will perform the following:

- Obtain Service Organization Controls (SOC) reports from providers on an annual basis in December of each year.
- Regional Superintendent or Asst. Regional Superintendent reviews and initials SOC reports.
- Regional Superintendent or Asst. Regional Superintendent reviews any significant issues with providers and ascertains if a corrective action plan exists.
- Regional Superintendent or Asst. Regional Superintendent reviews contracts with service providers to ensure applicable requirements over independent review of internal controls are included.
- Regional Superintendent or Asst. Regional Superintendent monitors Complementary User Entity Controls (CUEC’s) relevant to ROE #8.
- ROE No. 8 will refer any concerns to our technology support contractor.

ANTICIPATED DATE OF COMPLETION:

June 30, 2024

CONTACT PERSON:

Mr. Aaron Mercier, Regional Superintendent of Schools

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2023**

CORRECTIVE ACTION PLAN (Concluded)

FINDING 2023-002 - Inadequate Internal Controls Over Disposal of Capital Assets

CONDITION:

We noted 5 of 5 disposed equipment tested (100%), had no documentation of approval for the disposal.

PLAN:

ROE 8 will add an equipment disposal section to our current inventory log and advise Program Coordinators to document approval to dispose of equipment (items over \$500). Our Grants Coordinator manages the current inventory log and will be responsible for implementing this procedure.

ANTICIPATED DATE OF COMPLETION:

June 30, 2024

CONTACT PERSON:

Mr. Aaron Mercier, Regional Superintendent of Schools

**CARROLL, JO DAVIESS, AND STEPHENSON COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 8
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2023**

None

BASIC FINANCIAL STATEMENTS

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Cash Basis Statement of Activities and Net Position
As of and for the Year Ended June 30, 2023

FUNCTIONS/PROGRAMS	Program Receipts			Net (Disbursement) Receipts and Changes in Cash Basis Net Position		
	Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary government:						
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 3,486,118	\$ 7,549	\$ 1,869,515	\$ (1,609,054)	\$ -	\$ (1,609,054)
Purchased services	466,577	26,943	939,295	499,661	-	499,661
Supplies and materials	102,024	139	140,667	38,782	-	38,782
Other objects	211,965	-	267,722	55,757	-	55,757
Intergovernmental:						
Payments to other governments	1,805,072	-	1,184,329	(620,743)	-	(620,743)
Administrative:						
On-behalf payments	312,580	-	-	(312,580)	-	(312,580)
Capital outlay	140,841	-	136,130	(4,711)	-	(4,711)
Total governmental activities	6,525,177	34,631	4,537,658	(1,952,888)	-	(1,952,888)
Business-type activities:						
Professional development	54,950	81,072	-	-	26,122	26,122
Total primary government	\$ 6,580,127	\$ 115,703	\$ 4,537,658	(1,952,888)	26,122	(1,926,766)
General receipts:						
Local sources				1,283,934	-	1,283,934
State sources				681,885	-	681,885
On-behalf payments				312,580	-	312,580
Other financing uses:						
Purchases of investment				(500,000)	-	(500,000)
Total				1,778,399	-	1,778,399
CHANGE IN CASH BASIS NET POSITION				(174,489)	26,122	(148,367)
CASH BASIS NET POSITION, BEGINNING OF YEAR				2,412,529	174,880	2,587,409
CASH BASIS NET POSITION, END OF YEAR				\$ 2,238,040	\$ 201,002	\$ 2,439,042
CASH BASIS NET POSITION						
Restricted				\$ 1,209,586	\$ -	\$ 1,209,586
Unrestricted				1,028,454	201,002	1,229,456
TOTAL CASH BASIS NET POSITION				\$ 2,238,040	\$ 201,002	\$ 2,439,042

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

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Governmental Funds
Statement of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents
As of and for the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
RECEIPTS:				
Local sources	\$ 1,283,934	\$ 2,494	\$ 34,631	\$ 1,321,059
State sources	681,885	4,324,914	1,231	5,008,030
Federal sources	-	209,019	-	209,019
On-behalf payments	312,580	-	-	312,580
Total receipts	<u>2,278,399</u>	<u>4,536,427</u>	<u>35,862</u>	<u>6,850,688</u>
DISBURSEMENTS:				
Instructional services:				
Salaries	1,324,216	1,442,596	2,602	2,769,414
Benefits	331,780	384,687	237	716,704
Purchased services	117,223	340,491	8,863	466,577
Supplies and materials	20,605	81,419	-	102,024
Other objects	8,698	203,267	-	211,965
Intergovernmental:				
Payments to other governments	-	1,805,072	-	1,805,072
Administrative:				
On-behalf payments	312,580	-	-	312,580
Capital outlay	100,515	40,326	-	140,841
Total disbursements	<u>2,215,617</u>	<u>4,297,858</u>	<u>11,702</u>	<u>6,525,177</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>62,782</u>	<u>238,569</u>	<u>24,160</u>	<u>325,511</u>
OTHER FINANCING SOURCES (USES):				
Purchase of investment	(500,000)	-	-	(500,000)
Transfers in	147,840	-	-	147,840
Transfers out	(147,840)	-	-	(147,840)
Total other financing sources (uses)	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(437,218)	238,569	24,160	(174,489)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,563,517</u>	<u>715,306</u>	<u>133,706</u>	<u>2,412,529</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,126,299</u>	<u>\$ 953,875</u>	<u>\$ 157,866</u>	<u>\$ 2,238,040</u>
CASH BASIS FUND BALANCES				
Restricted	\$ -	\$ 1,051,720	\$ 157,866	\$ 1,209,586
Assigned	2,012	-	-	2,012
Unrestricted	1,124,287	(97,845)	-	1,026,442
TOTAL CASH BASIS FUND BALANCES	<u>\$ 1,126,299</u>	<u>\$ 953,875</u>	<u>\$ 157,866</u>	<u>\$ 2,238,040</u>

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

Carroll, Jo Daviess, and Stephenson Counties
 Regional Office of Education No. 8
 Proprietary Fund

Statement of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents
 As of and for the Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund Workshops
OPERATING RECEIPTS:	
Charges for services	\$ 81,072
OPERATING DISBURSEMENTS:	
Salaries	5,514
Benefits	2,789
Purchased services	29,041
Supplies and materials	10,182
Capital outlay	7,335
Other objects	89
Total disbursements	<u>54,950</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	26,122
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>174,880</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 201,002</u></u>
CASH BASIS NET POSITION	
Unrestricted	<u><u>\$ 201,002</u></u>

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

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Fiduciary Funds
Statement of Cash Additions, Deductions, and Changes in Cash and Cash Equivalents
As of and for the Year Ended June 30, 2023

	<u>Private Purpose Trust Funds</u>	<u>Custodial Fund - Distributive Fund</u>	<u>Total</u>
ADDITIONS:			
Rent	\$ 165,077	\$ -	\$ 165,077
Proceeds from sales of investments	14,300	-	14,300
Proceeds from sales of capital assets	105,806	-	105,806
Interest and dividends	34,151	-	34,151
Grants and sales tax collections for other governments	-	3,514,254	3,514,254
Other income	16,069	-	16,069
Total additions	<u>335,403</u>	<u>3,514,254</u>	<u>3,849,657</u>
DEDUCTIONS:			
Purchased services	46,092	-	46,092
Property taxes	67,534	-	67,534
Scholarships	121,750	-	121,750
Purchase of investments	25,000	-	25,000
Payments of grants and sales tax to other governments	-	3,537,568	3,537,568
Total deductions	<u>260,376</u>	<u>3,537,568</u>	<u>3,797,944</u>
CHANGE IN CASH AND CASH EQUIVALENTS	75,027	(23,314)	51,713
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>126,912</u>	<u>23,314</u>	<u>150,226</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 201,939</u>	<u>\$ -</u>	<u>\$ 201,939</u>
CASH BASIS FIDUCIARY NET POSITION			
Held in trust for other purposes	<u>\$ 201,939</u>	<u>\$ -</u>	<u>\$ 201,939</u>

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

**Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8 (ROE) is an entity that is a result of an Education Service Region becoming a Regional Office of Education as of August 7, 1995. The ROE operates under the School Code (105 ILCS 5/3 and 5/3A). The ROE encompasses Carroll, Jo Daviess, and Stephenson Counties in Illinois. A Regional Superintendent of Schools serves as chief administrative officer and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

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

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

The ROE's reporting entity includes all related organizations for which ROE exercises oversight responsibility.

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

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition, the Superintendent is not aware of any entity which would exercise such oversight which would result in the ROE being considered a component unit of another entity. The ROE is the Administrative Agent for two joint agreements - the Jo Daviess-Carroll Area Vocational Center and the Eagle Ridge Vocational System. These joint agreements are not considered part of the ROE's cash basis reporting entity and are not included in these financial statements.

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

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

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

B. Basis of Presentation

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

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

C. Fund Accounting

The accounts of the ROE are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets arising from cash and cash equivalent transactions, fund balance, receipts received, and disbursements paid. The resources allocated to and accounted for in individual funds are based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following summarizes the fund types used:

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

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

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

ROE Programs and Services - used to account for monies received for, and payment, of disbursements in connection with Regional Alternative Program tuition, job bank, and bus booklets.

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

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

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 (ISBE). The Superintendent uses the interest money to develop in-service activities and other innovative programs, with the consent of all affected school boards and other entities.

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

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

Truants' Alternative/Optional Education - used to account for grant monies received for, and payment of, disbursements of the Truants' Alternative Program.

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Workforce Investment Act - used to account for grant monies received for, and payment of, disbursements 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.

Elementary and Secondary School Emergency Relief Grant - used to account for grant monies received for, and payments of, disbursements for Regional Alternative Program for summer school and other coronavirus (COVID-19) related disbursements.

National School Lunch Program - used to account for grant monies received for, and payment of, disbursements for nutritionally balanced lunches to school children.

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

American Rescue Plan - McKinney Vento - used to account for grant monies received for, and payment of, disbursements for homeless children and youth due to COVID-19.

Social Emotional Learning Hub - used to account for grant monies received for, and payments of, disbursements for providing professional development, training, and support to districts to establish and expand social emotional learning programs in Illinois schools.

Governor's Emergency Education Relief Fund (GEER II) - used to account for grant monies received for, and payments of, disbursements for emergency assistance to overcome barriers created by COVID-19.

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

General Educational Development - used to account for resources accumulated for, and payment of, disbursement 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, disbursement of issuing school bus driver permits and administering school bus driver training.

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

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

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fiduciary Fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the ROE under a trust agreement, or equivalent arrangement that has certain characteristics, for individuals, private organizations, or other governments and are not available to support the ROE's own programs. The ROE's fiduciary funds include the following:

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

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

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

Custodial Fund - used to report fiduciary activities that are not required to be reported in a trust fund. The ROE's Custodial Fund accounts for amounts collected and distributed on behalf of another government or organization. The ROE maintains the following custodial fund:

Distributive Fund - local, state and federal funds are distributed to the ROE. The ROE is responsible for forwarding these monies to local school districts and others in Carroll, Jo Daviess, and Stephenson counties.

D. Measurement Focus and Basis of Accounting

The ROE maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the ROE are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. In addition, other economic assets, deferred outflow of resources, liabilities, and deferred inflow of resources that do not arise from cash transaction or event are not reported.

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with GAAP.

Under the terms of grant agreements, the ROE funds certain programs by a combination of specific cost-reimbursement grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net position available to finance the program. It is the ROE's policy to first apply cost-reimbursement grant resources to such programs and then general receipts.

When a reimbursement in governmental funds can be paid using either restricted or unrestricted resources, the ROE's policy is generally to first apply the disbursement toward restricted fund balance and then to unrestricted classification, committed, assigned and then unassigned fund balances.

The ROE records on-behalf payments made by the State to the Teachers' Retirement System and the Teachers' Health Insurance Security Fund (THIS) as receipts and disbursements.

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

Governmental Cash Basis Fund Balance

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

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

Restricted Fund Balance - The portion of a Governmental Fund's net position that is subject to external enforceable legal restrictions. The

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

following accounts' fund balances are restricted by grant agreements or contracts: Education Fund - Truants' Alternative/Optional Education, Early Childhood Block Grants, Regional Safe Schools, Hearing and Vision Grant, ROE/ISC Operations, and National School Lunch Program. The following fund balances are restricted by Illinois State Statute: Nonmajor Special Revenue Funds - General Educational Development, Bus Driver, and Institute.

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

Assigned Fund Balance - The portion of a Governmental Fund's net position to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The fund balance for Distributive Interest is considered assigned.

Unassigned Fund Balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of Counties Support, ROE Programs and Services, Medical Reimbursement, Special Services, Early Intervention Infants/Toddlers, McKinney Homeless Grant, Elementary and Secondary School Emergency Relief Grant, American Rescue Plan - McKinney Vento, and Social Emotional Learning Hub.

E. Cash and Cash Equivalents

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

F. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the ROE's cash basis of accounting.

Employees receive 10 sick days and 2 personal business days annually. Personal leave days are not accumulated from one fiscal year to the next.

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unused sick days are accumulated and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay.

G. Employer Contributions to Pension and OPEB Plans

The ROE recognizes the disbursement for employer contributions to pension and other employer postemployment benefits (OPEB) plans when they are paid. As described in Notes 4 and 5, the employer contributions include portions for pension benefits and for OPEB.

H. Internal Activity

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

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

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

I. Budgets and Budgetary Accounting

The ROE did not formally adopt a budget for the year ended June 30, 2023 and is not legally required to do so; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual receipts and disbursements are compared; however, ISBE requires budgets for certain State and federal programs. These budgets were used to prepare the Budgetary Comparison Schedule for the following programs: Truants' Alternative/Optional Education, Early Childhood Block Grants, Early Intervention Infants/Toddlers, Regional Safe Schools, ROE/ISC Operations,

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Workforce Investment Act, McKinney Homeless Grant, Elementary and Secondary School Emergency Relief Grant, American Rescue Plan - McKinney Vento, and GEER II.

J. New Accounting Pronouncements

In 2023, the ROE implemented GASB Statement No. 91, *Conduit Debt Obligation*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Available Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and applicable sections of GASB No. 99, *Omnibus 2022*. The implementation of GASB Statement No. 96 improved accounting and financial reporting for subscription-based information technology arrangements by governments. The implementation of the GASB Statement Nos. 91, 94, and 99 did not have a significant effect on the ROE's financial statements.

NOTE 2 CASH AND CASH EQUIVALENTS

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

Deposits

At June 30, 2023, the carrying amount of the ROE's cash was \$2,640,981 and the bank balance was \$2,813,200.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the ROE's deposits may not be returned. The ROE does not have a deposit policy for custodial credit risk. As of June 30, 2023, all of the ROE's deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in the ROE's name.

Investments

The ROE's established investment policy follows the State of Illinois Public Funds Investment Act which authorizes the Regional Office of Education to purchase certain obligations of the U.S. Treasury, federal agencies, and instrumentalities; certificates of deposit and time deposits covered by Federal depository insurance; commercial paper of U.S. corporations with assets exceeding \$500,000,000, if such paper is rated at the highest classification established by at least two standard rating services; money market funds and the Illinois Funds. At June 30, 2023 the ROE had investments with carrying and fair values of \$136,726 invested in the Illinois Funds Money Market Fund. The ROE's investment in Illinois Funds has a Fitch's credit rating of AAmmf.

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023

NOTE 2 CASH AND CASH EQUIVALENTS (Continued)

The Illinois Fund is an external investment pool administered by the State Treasurer. The value of the Group’s investment fund is the same as the value of pool shares and the investments are reported by the State Treasurer at amortized cost. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provision of the Public Funds Investment Act (30 ILCS 235), the State Treasurer Act (15 ILCS 505/17) and the Deposit of State Moneys Act (15 ILCS 520/22.5).

Interest Rate Risk

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

Credit Risk and Concentration of Credit Risk

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

A reconciliation of cash and cash equivalents is as follows:

<u>Cash and cash equivalents</u>	<u>Amount</u>
Governmental funds	\$ 2,238,040
Enterprise funds	201,002
Fiduciary funds	201,939
Total	<u>\$ 2,640,981</u>

NOTE 3 INTERFUND ACTIVITIES

Transfers in/out

Transfers are generally made to provide supplemental funding or move resources from the fund required to collect the resources to the fund required to expend the resources. As of June 30, 2023, interfund transfers for the year consisted of the following:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund:		
ROE Programs and Services	\$ 147,840	\$ –
Special Services	–	147,840

(Continued)

**Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023**

NOTE 3 INTERFUND ACTIVITIES (Continued)

Fund	Transfers in	Transfers out
Fiduciary Funds:		
E.H. Parriott Scholarship Trust Principal Fund	\$ —	\$ 190,475
E.H. Parriott Scholarship Trust Income Fund	190,475	—
Total	\$ 338,315	\$ 338,315

NOTE 4 DEFINED BENEFIT PENSION PLAN

The ROE participates in multiple retirement plans to provide retirement benefits to its employees. It should be noted that the actuarial accrued liabilities, deferred inflow of resources and deferred outflow of resources are not recorded in the financial statements since the ROE uses the cash basis of accounting as disclosed in Note 1.

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

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

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

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

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June 30, 2023

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement System

IMRF Plan Description

The ROE's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and their beneficiaries. The ROE's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

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

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NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

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

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

Employees Covered by Benefit Terms

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

	IMRF
Retirees and Beneficiaries currently receiving benefits	46
Inactive Plan Members entitled to but not yet receiving benefits	61
Active Plan Members	48
Total	155

Contributions

As set by statute, the ROE’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The ROE’s annual contribution rate for calendar year 2022 was 7.05%. For the fiscal year ended 2023, the ROE contributed \$142,770 to the plan. The ROE also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Teachers’ Retirement System of the State of Illinois

Plan Description

The ROE participates in the Teachers’ Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school

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NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 member to receive a partial

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NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2023, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the ROE.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the ROE.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2023 were \$7,356.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the ROE, there is a statutory requirement for the ROE to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the State contribution rate to TRS and were much higher.

For the year ended June 30, 2023, the employer pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended

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NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

June 30, 2023, salaries totaling \$27,601 were paid from federal and special trust funds that required employer contributions of \$2,895.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2023, the ROE did not make any employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS

Teachers' Health Insurance Security Fund

Plan Description

The ROE participates in the Teachers' Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (CMS) as of July 1, 2013. The CMS administers the plan with the cooperation of the TRS.

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered

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June 30, 2023

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (Continued)

by CMS with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

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

On-Behalf Contributions to THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the ROE.

ROE Contributions to THIS Fund

The ROE also makes contributions to THIS Fund. The ROE THIS Fund contribution was 0.67 percent during the year ended June 30, 2023, and 0.67, 0.92, and 0.92 percent during the years ended June 30, 2022, June 30, 2021, and June 30, 2020. For the year ended June 30, 2023, the ROE paid \$8,483 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2022, June 30, 2021, and June 30, 2020, the ROE paid \$6,804, \$9,098, and \$8,749, to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further Information on the THIS Fund

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

Health Insurance Plan

Plan Administration

The ROE’s defined benefit OPEB plan, Retiree’s Health Plan, provides OPEB for all permanent full-time general and public safety employees of the ROE. RHP is a single-employer defined benefit OPEB plan administered by the ROE. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the ROE Board.

**Carroll, Jo Daviess, and Stephenson Counties
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Notes to the Financial Statements
June 30, 2023**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Eligibility Provisions

Full-Time Employees - IMRF

Tier I IMRF Full-Time employees:

- Age 55 with at least 8 years of service (Reduced Pension)
- Age 55 with at least 30 years of service (Reduced Pension)
- Age 55 with at least 35 years of service (Full Pension)
- Age 60 with at least 8 years of service (Full Pension)

Tier II IMRF Full-Time employees:

- Age 62 with at least 10 years of service (Reduced Pension)
- Age 62 with at least 30 years of service (Reduced Pension)
- Age 62 with at least 35 years of service (Full Pension)
- Age 67 with at least 10 years of service (Full Pension)

Benefits Provided

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

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

Plan Membership

	Participants
Total active employees	27
Inactive employees currently receiving benefit payments	1
Total	28

Funding Policy and Contributions

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

Carroll, Jo Daviess, and Stephenson Counties
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June 30, 2023

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

NOTE 6 LEASE INCOME

The E.H. Parriott Scholarship Trust is the lessor of several parcels of farm land and attached buildings under various separate lease arrangements ranging from month-to-month rentals on buildings to 3-year noncancelable leases on farm land.

Rental income for the fiscal year ended June 30, 2023 was \$165,077.

NOTE 7 COMMITMENTS

The ROE is committed under long-term lease agreements as follows:

Office Space and Equipment

On June 11, 2013, the ROE entered into a lease agreement for office space located at 27 South State Avenue, Freeport, Illinois. The term of the lease is 10 years effective August 1, 2013, and is reasonably certain to extend for an additional 10 years. The original rent is \$2,268 per month with annual increases and is calculated with an incremental borrowing rate of 4.50%. A security deposit of \$5,833 was made upon the onset of the lease. Lease payments for the year ended June 30, 2023 totaled \$34,678.

On August 31, 2018, the ROE entered into a lease agreement for a copier and printers. The term of the lease is 60 months with monthly lease payments of \$990 required. It is calculated with an incremental borrowing rate of 4.50%. Lease payments for the year ended June 30, 2023 totaled \$11,880.

On January 6, 2020, the ROE entered into a lease agreement for a copier. The term of the lease is 60 months with monthly lease payments of \$192 required. It is calculated with an incremental borrowing rate of 4.50%. Lease payments for the year ended June 30, 2023 totaled \$2,304.

On October 27, 2020, the ROE entered into a lease agreement for postage machines. The term of the lease is 63 months with quarterly lease payments of \$173 required. It is calculated with an incremental borrowing rate of 4.50%. Lease payments for the year ended June 30, 2023 totaled \$2,076.

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Notes to the Financial Statements
June 30, 2023

NOTE 7 COMMITMENTS (Continued)

In 2022, the ROE entered into a lease agreement for office space located at 1770 West State Street in Sycamore, Illinois. The term commences on July 1, 2022 and shall expire on June 30, 2026. The ROE shall pay an annual amount of \$10,000 due and payable one month in arrears but no less than August 1st following each year of lease required. It is calculated with an incremental borrowing rate of 5.65%. Lease payments for the year ended June 30, 2023 totaled \$10,000.

Future minimum lease payments under these leases are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 47,139	\$ 3,740	\$ 50,879
2025	43,809	5,766	49,575
2026	40,792	7,606	48,398
2027	31,012	7,016	38,028
2028	30,303	8,562	38,865
Thereafter	143,184	67,295	210,479
Total	\$ 336,239	\$ 99,985	\$ 436,224

Subscription-Based Information Technology Arrangements

The ROE has entered into various subscription-based information technology arrangements. The terms of these leases are one year and renewable. The ROE is reasonably certain that these leases will be renewed for the next five years. The leases are payable annually ranging from \$803 to \$12,435 and expire at various dates between March 2028 to September 2029. They are calculated with an incremental borrowing rate of 5.65%. Lease payments for the year ended June 30, 2023 totaled \$26,906.

Future minimum payments under these subscriptions are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 25,172	\$ 1,734	\$ 26,906
2025	23,826	3,080	26,906
2026	22,552	4,354	26,906
2027	21,346	5,560	26,906
2028	14,158	4,340	18,498
Thereafter	1,574	498	2,072
Total	\$ 108,628	\$ 19,566	\$ 128,194

**Carroll, Jo Daviess, and Stephenson Counties
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Notes to the Financial Statements
June 30, 2023**

NOTE 8 ON-BEHALF PAYMENTS

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

Regional Superintendent Salary	\$	122,376
Assistant Regional Superintendent Salary		110,148
Regional Superintendent Benefits (includes State paid insurance)		40,317
Assistant Regional Superintendent Benefits (includes State paid insurance)		39,739
		39,739
Total	\$	312,580

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

NOTE 9 DISPOSITION OF DISTRIBUTIVE FUND INTEREST

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

NOTE 10 RISK MANAGEMENT

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

**Carroll, Jo Daviess, and Stephenson Counties
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June 30, 2023**

NOTE 11 DEFICIT FUND BALANCES/NET POSITION

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

Funds with Deficit Fund Balances	Amount
General Fund:	
Counties Support	\$ 15,368
ROE Programs and Services	737
Education Fund:	
Early Intervention Infants/Toddlers	86,800
McKinney Homeless Grant	3,404
Elementary and Secondary School	
Emergency Relief Grant	2,399
American Rescue Plan - McKinney Vento	992
Social Emotional Learning Hub	4,250

NOTE 12 SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 11, 2024, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
General Fund

Combining Schedule of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents
As of and for the Year Ended June 30, 2023

	Counties Support	ROE Programs and Services	Medical Reimbursement	Special Services	Distributive Interest	Total
RECEIPTS:						
Local sources	\$ 125,108	\$ 131,219	\$ 10,150	\$ 1,014,797	\$ 2,660	\$ 1,283,934
State sources	-	-	-	681,885	-	681,885
On-behalf payments	312,580	-	-	-	-	312,580
Total receipts	437,688	131,219	10,150	1,696,682	2,660	2,278,399
DISBURSEMENTS:						
Instructional services:						
Salaries	75,600	178,857	-	1,069,759	-	1,324,216
Benefits	24,190	48,051	9,821	249,718	-	331,780
Purchased services	29,878	46,484	-	40,861	-	117,223
Supplies and materials	-	5,662	-	14,943	-	20,605
Other objects	1,625	200	-	6,873	-	8,698
Administrative:						
On-behalf payments	312,580	-	-	-	-	312,580
Capital outlay	-	-	-	88,198	12,317	100,515
Total disbursements	443,873	279,254	9,821	1,470,352	12,317	2,215,617
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,185)	(148,035)	329	226,330	(9,657)	62,782
OTHER FINANCING SOURCES (USES):						
Purchase of investment	-	-	-	(500,000)	-	(500,000)
Transfers in	-	147,840	-	-	-	147,840
Transfers out	-	-	-	(147,840)	-	(147,840)
Total other financing sources (uses)	-	147,840	-	(647,840)	-	(500,000)
CHANGE IN CASH AND CASH EQUIVALENTS	(6,185)	(195)	329	(421,510)	(9,657)	(437,218)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(9,183)	(542)	-	1,561,573	11,669	1,563,517
CASH AND CASH EQUIVALENTS, END OF YEAR	(15,368)	(737)	329	1,140,063	2,012	1,126,299
CASH BASIS FUND BALANCES						
Assigned	-	-	-	-	2,012	2,012
Unassigned	(15,368)	(737)	329	1,140,063	-	1,124,287
TOTAL CASH BASIS FUND BALANCES	(15,368)	(737)	329	1,140,063	2,012	1,126,299

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Education Fund

Combining Schedule of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents
As of and for the Year Ended June 30, 2023

	Truants' Alternative/Optional Education	Early Childhood Block Grants	Early Intervention Infants/Toddlers	Regional Safe Schools	Hearing and Vision Grant	ROE/ISC Operations	Workforce Investment Act
RECEIPTS:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 2,494	\$ -	\$ -
State sources	126,112	3,004,046	832,033	59,696	3,822	299,063	-
Federal sources	-	-	-	-	-	-	73,314
Total receipts	126,112	3,004,046	832,033	59,696	6,316	299,063	73,314
DISBURSEMENTS:							
Instructional services:							
Salaries	90,347	613,103	472,936	42,171	2,979	178,789	12,068
Benefits	25,112	172,015	123,726	12,068	1,102	37,598	1,832
Purchased services	6,962	106,575	118,665	4,288	844	8,135	50,266
Supplies and materials	1,498	49,450	22,095	-	-	1,189	-
Other objects	4,067	124,097	39,887	-	-	34,434	432
Intergovernmental:							
Payments to other governments	-	1,755,937	-	-	-	-	-
Capital outlay	-	25,872	12,656	-	-	1,798	-
Total disbursements	127,986	2,847,049	789,965	58,527	4,925	261,943	64,598
CHANGE IN CASH AND CASH EQUIVALENTS	(1,874)	156,997	42,068	1,169	1,391	37,120	8,716
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	24,265	809,317	(128,868)	8,721	13,996	-	(8,716)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 22,391	\$ 966,314	\$ (86,800)	\$ 9,890	\$ 15,387	\$ 37,120	\$ -
CASH BASIS FUND BALANCES							
Restricted	\$ 22,391	\$ 966,314	\$ -	\$ 9,890	\$ 15,387	\$ 37,120	\$ -
Unassigned	-	-	(86,800)	-	-	-	-
TOTAL CASH BASIS FUND BALANCES	\$ 22,391	\$ 966,314	\$ (86,800)	\$ 9,890	\$ 15,387	\$ 37,120	\$ -

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Education Fund

Combining Schedule of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents
As of and for the Year Ended June 30, 2023

	McKinney Homeless Grant	Elementary and Secondary School Emergency Relief Grant	National School Lunch Program	American Rescue Plan - McKinney Vento	Social Emotional Learning Hub	GEER II	Total
RECEIPTS:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,494
State sources	-	-	142	-	-	-	4,324,914
Federal sources	21,896	3,283	29,584	5,679	35,000	40,263	209,019
Total receipts	21,896	3,283	29,726	5,679	35,000	40,263	4,536,427
DISBURSEMENTS:							
Instructional services:							
Salaries	2,825	2,261	-	-	25,117	-	1,442,596
Benefits	889	462	-	-	9,883	-	384,687
Purchased services	7,741	4,069	28,696	-	4,250	-	340,491
Supplies and materials	7,125	-	62	-	-	-	81,419
Other objects	-	-	350	-	-	-	203,267
Intergovernmental:							
Payments to other governments	2,201	-	-	6,671	-	40,263	1,805,072
Capital outlay	-	-	-	-	-	-	40,326
Total disbursements	20,781	6,792	29,108	6,671	39,250	40,263	4,297,858
CHANGE IN CASH AND CASH EQUIVALENTS	1,115	(3,509)	618	(992)	(4,250)	-	238,569
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(4,519)	1,110	-	-	-	-	715,306
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ (3,404)	\$ (2,399)	\$ 618	\$ (992)	\$ (4,250)	\$ -	\$ 953,875
CASH BASIS FUND BALANCES							
Restricted	\$ -	\$ -	\$ 618	\$ -	\$ -	\$ -	\$ 1,051,720
Unassigned	(3,404)	(2,399)	-	(992)	(4,250)	-	(97,845)
TOTAL CASH BASIS FUND BALANCES	\$ (3,404)	\$ (2,399)	\$ 618	\$ (992)	\$ (4,250)	\$ -	\$ 953,875

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Education Fund
Budgetary Comparison Schedule
As of and for the Year Ended June 30, 2023

	Truants' Alternative/Optional Education				Early Childhood Block Grants				Early Intervention Infants/Toddlers				
	Budgeted Amounts		Variance with		Budgeted Amounts		Variance with		Budgeted Amounts		Variance with		
	Original	Final	Final Budget	Actual Amounts	Original	Final	Final Budget	Actual Amounts	Original	Final	Final Budget	Actual Amounts	
RECEIPTS:													
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	128,409	128,409	126,112	126,112	3,034,815	3,034,815	3,004,046	3,004,046	858,888	813,630	832,033	832,033	18,403
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	128,409	128,409	126,112	126,112	3,034,815	3,034,815	3,004,046	3,004,046	858,888	813,630	832,033	832,033	18,403
DISBURSEMENTS:													
Instructional services:													
Salaries	87,338	88,388	90,347	90,347	644,560	652,519	613,103	613,103	457,905	466,216	472,936	472,936	(6,720)
Benefits	26,452	26,132	25,112	25,112	192,072	174,511	172,015	172,015	123,553	130,307	123,726	123,726	6,581
Purchased services	11,869	8,321	6,962	6,962	178,778	93,261	106,575	106,575	155,744	130,335	118,665	118,665	11,670
Supplies and materials	2,750	1,500	1,498	1,498	66,751	61,591	49,450	49,450	86,072	25,208	22,095	22,095	3,113
Other objects	-	4,068	4,067	4,067	63,311	106,696	124,097	124,097	33,214	59,164	39,887	39,887	19,277
Intergovernmental:													
Payments to other governments	-	-	-	-	1,888,343	1,917,796	1,755,937	1,755,937	-	-	-	-	-
Capital outlay	-	-	-	-	1,000	28,441	25,872	25,872	2,400	2,400	12,656	12,656	(10,256)
Total disbursements	128,409	128,409	127,986	127,986	3,034,815	3,034,815	2,847,049	2,847,049	858,888	813,630	789,965	789,965	23,665

**EXCESS (DEFICIENCY) OF RECEIPTS
OVER (UNDER) DISBURSEMENTS**

\$ -	\$ -	(1,874)	\$ (1,874)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,068
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**CASH AND CASH EQUIVALENTS,
BEGINNING OF YEAR**

24,265

(128,868)

**CASH AND CASH EQUIVALENTS,
END OF YEAR**

\$ 22,391

\$ (86,800)

Carroll, Jo Daviess, and Stephenson Counties
 Regional Office of Education No. 8
 Education Fund
 Budgetary Comparison Schedule
 As of and for the Year Ended June 30, 2023

	Regional Safe Schools				ROE/ISC Operations				Workforce Investment Act				
	Budgeted Amounts		Actual		Budgeted Amounts		Actual		Budgeted Amounts		Actual		
	Original	Final	Final Budget	Amounts	Original	Final	Final Budget	Amounts	Original	Final	Final Budget	Amounts	
RECEIPTS:													
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	59,696	59,696	-	59,696	299,063	299,063	-	299,063	-	103,001	73,314	-	-
Federal sources	-	-	-	-	-	-	-	-	101,000	103,001	73,314	-	(29,687)
Total receipts	59,696	59,696	-	59,696	299,063	299,063	-	299,063	101,000	103,001	73,314	-	(29,687)
DISBURSEMENTS:													
Instructional services:													
Salaries	43,669	43,669	42,171	1,498	209,499	199,911	178,789	21,122	74,181	10,919	12,068	12,068	(1,149)
Benefits	12,739	12,739	12,068	671	22,605	42,026	37,598	4,428	7,792	1,056	1,832	1,832	(776)
Purchased services	3,288	3,288	4,288	(1,000)	12,689	9,649	8,135	1,514	14,568	87,769	50,266	50,266	37,503
Supplies and materials	-	-	-	-	3,070	5,570	1,189	4,381	1,202	-	-	-	-
Other objects	-	-	-	-	47,200	38,907	34,434	4,473	3,257	3,257	432	432	2,825
Intergovernmental:													
Payments to other governments	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	4,000	3,000	1,798	1,202	-	-	-	-	-
Total disbursements	59,696	59,696	58,527	1,169	299,063	299,063	261,943	37,120	101,000	103,001	64,598	64,598	38,403

**EXCESS (DEFICIENCY) OF RECEIPTS
 OVER (UNDER) DISBURSEMENTS**

\$ -	\$ -	\$ 1,169	\$ 1,169	\$ -	\$ -	\$ 37,120	\$ 37,120	\$ -	\$ -	\$ -	\$ 8,716	\$ 8,716
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**CASH AND CASH EQUIVALENTS,
 BEGINNING OF YEAR**

8,721

(8,716)

**CASH AND CASH EQUIVALENTS,
 END OF YEAR**

\$ 9,890

\$ -

Schedule 3 (Continued)

Carroll, Jo Daviess, and Stephenson Counties
 Regional Office of Education No. 8
 Education Fund
 Budgetary Comparison Schedule
 As of and for the Year Ended June 30, 2023

	McKinney Homeless Grant			Elementary and Secondary School Emergency Relief Grant			
	Budgeted Amounts		Actual Amounts	Budgeted Amounts*		Actual Amounts	Variance with Final Budget
	Original	Final		Original	Final		
RECEIPTS:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	21,550	21,550	21,896	346	-	3,283	3,283
Total receipts	21,550	21,550	21,896	346	-	3,283	3,283
DISBURSEMENTS:							
Instructional services:							
Salaries	3,550	3,550	2,825	725	-	2,261	(2,261)
Benefits	1,020	1,020	889	131	-	462	(462)
Purchased services	11,480	11,480	7,741	3,739	-	4,069	(4,069)
Supplies and materials	5,500	5,500	7,125	(1,625)	-	-	-
Other objects	-	-	-	-	-	-	-
Intergovernmental:							
Payments to other governments	-	-	2,201	(2,201)	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total disbursements	21,550	21,550	20,781	769	-	6,792	(6,792)

EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS

\$ -	\$ -	\$ 1,115	\$ 1,115	\$ -	\$ -	\$ (3,509)	\$ (3,509)
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

(4,519)	1,110
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CASH AND CASH EQUIVALENTS, END OF YEAR

\$ (3,404)	\$ (2,399)
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*There were no budget amounts for Elementary and Secondary School Emergency Relief Grant since the grant ended in fiscal year 2023. The grant in fiscal year 2023 ran from July 1, 2021 to June 30, 2023.

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Education Fund
Budgetary Comparison Schedule
As of and for the Year Ended June 30, 2023

	American Rescue Plan - McKinney Vento				GEER II			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Final Budget	Variance with Final Budget	Original	Final	Final Budget	Variance with Final Budget
RECEIPTS:								
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	45,000	45,000	5,679	(39,321)	57,225	57,225	40,263	(16,962)
Total receipts	45,000	45,000	5,679	(39,321)	57,225	57,225	40,263	(16,962)
DISBURSEMENTS:								
Instructional services:								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Purchased services	3,000	3,000	-	3,000	2,937	2,937	-	2,937
Supplies and materials	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	479	479	-	479
Intergovernmental:								
Payments to other governments	42,000	42,000	6,671	35,329	53,809	53,809	40,263	13,546
Capital outlay	-	-	-	-	-	-	-	-
Total disbursements	45,000	45,000	6,671	38,329	57,225	57,225	40,263	16,962

EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS
 \$ - \$ - (992) \$ (992) \$ - \$ - \$ -

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR
 -

CASH AND CASH EQUIVALENTS, END OF YEAR
 \$ (992) \$ -

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Nonmajor Special Revenue Funds
Combining Schedule of Cash Receipts, Disbursements, and Changes in Cash and Cash Equivalents
As of and for the Year Ended June 30, 2023

	General Educational Development	Bus Driver	Institute	Total
RECEIPTS:				
Local sources	\$ 600	\$ 2,590	\$ 31,441	\$ 34,631
State sources	-	1,231	-	1,231
Total receipts	600	3,821	31,441	35,862
DISBURSEMENTS				
Instructional services:				
Salaries	-	2,602	-	2,602
Benefits	-	228	9	237
Purchased services	152	2,736	5,975	8,863
Total disbursements	152	5,566	5,984	11,702
CHANGES IN CASH AND CASH EQUIVALENTS	448	(1,745)	25,457	24,160
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	255	20,720	112,731	133,706
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 703	\$ 18,975	\$ 138,188	\$ 157,866
CASH BASIS FUND BALANCES				
Restricted - other	\$ 703	\$ 18,975	\$ 138,188	\$ 157,866

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Private Purpose Trust Funds
Combining Schedule of Cash Additions, Deductions, and
Changes in Cash and Cash Equivalents
As of and for the Year Ended June 30, 2023

	E.H. Parriott Scholarship Trust Principal Fund	E.H. Parriott Scholarship Trust Income Fund	Total
ADDITIONS:			
Rent	\$ 165,077	\$ -	\$ 165,077
Proceeds from sale of investments	-	14,300	14,300
Proceeds from sale of capital assets	-	105,806	105,806
Interest and dividends	25,326	8,825	34,151
Other income	-	16,069	16,069
Total additions	<u>190,403</u>	<u>145,000</u>	<u>335,403</u>
DEDUCTIONS:			
Purchased services	-	46,092	46,092
Property taxes	-	67,534	67,534
Scholarships	-	121,750	121,750
Purchase of investments	-	25,000	25,000
Total deductions	<u>-</u>	<u>260,376</u>	<u>260,376</u>
EXCESS (DEFICIENCY) OF ADDITIONS OVER (UNDER) DEDUCTIONS	190,403	(115,376)	75,027
OTHER FINANCING SOURCES (USES):			
Transfers in	-	190,475	190,475
Transfers out	(190,475)	-	(190,475)
Total other financing sources (uses)	<u>(190,475)</u>	<u>190,475</u>	<u>-</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(72)	75,099	75,027
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>22,001</u>	<u>104,911</u>	<u>126,912</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 21,929</u>	<u>\$ 180,010</u>	<u>\$ 201,939</u>
CASH BASIS FIDUCIARY NET POSITION			
Held in trust for other purposes	<u>\$ 21,929</u>	<u>\$ 180,010</u>	<u>\$ 201,939</u>

Carroll, Jo Daviess, and Stephenson Counties
Regional Office of Education No. 8
Schedule of Cash Disbursements to School District Treasurers and Other Entities
For the Year Ended June 30, 2023

	Vocational Education - Career and Tech. Grant	Voc. Ed - Perkins Title II Secondary	Jo Daviess County School Facilities Sales Tax	Total
Eagle Ridge Vocational Delivery System	\$ 337,711	\$ 78,813	\$ -	\$ 416,524
East Dubuque School District #119	-	-	631,880	631,880
Galena Unit School District #120	-	-	839,638	839,638
Lena-Window Community Unit School District #202	-	-	478	478
River Ridge Community Unit School District #210	-	-	453,452	453,452
Scales Mound Community Unit School District #211	-	-	268,069	268,069
Stockton Community Unit School District #206	-	-	540,920	540,920
Warren Community Unit School District #205	-	-	386,607	386,607
Total	\$ 337,711	\$ 78,813	\$ 3,121,044	\$ 3,537,568