

State of Illinois
ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2009

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

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ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

OFFICIALS

Regional Superintendent
(during the audit period)

Honorable Joseph Vermeire

Regional Superintendent
(July 1, 2009 - current)

Honorable James Widdop, Jr.

Assistant Regional Superintendent
(during the audit period)

Mr. James Widdop, Jr.

Interim Assistant Regional Superintendent
(December 16, 2009 - current)

Mr. John Flaherty

Interim Assistant Regional Superintendent
(July 1, 2009 – December 15, 2009)

Mr. Joseph Vermeire

Office is located at:

3430 Avenue of the Cities
Moline, Illinois 61265

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

COMPLIANCE REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	6
Repeated audit findings	1	3
Prior recommendations implemented or not repeated	5	2

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

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

09-1	12-13	Controls Over Financial Statement Preparation	Material Weakness
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FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

08-2	16	Payment of Finance Charges and Late Fees	Significant Deficiency
08-3	16	Inaccurate Expenditure Reports	Significant Deficiency
08-4	16	Lack of Documentation and Inadequate Internal Control Over Disbursements	Significant Deficiency

PRIOR FINDINGS AND QUESTIONED COSTS NOT REPEATED (FEDERAL COMPLIANCE)

08-3	16	Inaccurate Expenditure Reports	Significant Deficiency
08-4	16	Lack of Documentation and Inadequate Internal Control Over Disbursements	Significant Deficiency
08-5	16	Inadequate Consultation with Private Schools	Significant Deficiency
08-6	16	Inadequate Controls Over Cash Management	Significant Deficiency

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

COMPLIANCE REPORT SUMMARY

EXIT CONFERENCE

The Rock Island County Regional Office of Education No. 49 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2009. The findings and recommendations appearing in this report were discussed with Agency personnel throughout the audit. Responses to the recommendations were provided by Honorable James Widdop, Jr., Regional Superintendent, on June 14, 2010.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of Rock Island County Regional Office of Education No. 49 was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed an unqualified opinion on Rock Island County Regional Office of Education No. 49's basic financial statements.

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rock Island County Regional Office of Education No. 49, as of and for the year ended June 30, 2009, which collectively comprise the Rock Island County Regional Office of Education No. 49's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Rock Island County Regional Office of Education No. 49's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rock Island County Regional Office of Education No. 49, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 2010 on our consideration of the Rock Island County Regional Office of Education No. 49's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 17 through 30 and page 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rock Island County Regional Office of Education No. 49's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wills, Park & Foster, CPA PC

Clinton, Iowa
June 23, 2010

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rock Island County Regional Office of Education No. 49, as of and for the year ended June 30, 2009, which collectively comprise the Rock Island County Regional Office of Education No. 49's basic financial statements and have issued our report thereon dated June 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Rock Island County Regional Office of Education No. 49's internal control over financial reporting as a basis for designing our auditing procedures 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 Rock Island County Regional Office of Education No. 49's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Rock Island County Regional Office of Education No. 49's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described in finding 09-1 in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Rock Island County Regional Office of Education No. 49's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Rock Island County Regional Office of Education No. 49's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Rock Island County Regional Office of Education No. 49's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the entity, Illinois State Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Walt, Park & Foster, CPA PC

Clinton, Iowa
June 23, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Rock Island County Regional Office of Education No. 49 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Rock Island County Regional Office of Education No. 49's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Rock Island County Regional Office of Education No. 49's management. Our responsibility is to express an opinion on the Rock Island County Regional Office of Education No. 49's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Rock Island County Regional Office of Education No. 49's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Rock Island County Regional Office of Education No. 49's compliance with those requirements.

In our opinion, the Rock Island County Regional Office of Education No. 49 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Rock Island County Regional Office of Education No. 49 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Rock Island County Regional Office of Education No. 49's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Rock Island County Regional Office of Education No. 49's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the entity, Illinois State Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Walt, Park & Foster, CPA PC

Clinton, Iowa
June 23, 2010

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Section I: Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: _____ Unqualified _____

Internal control over financial reporting:

- Material weakness(es) identified? x yes no
- Significant deficiencies identified that are not
 considered to be material weaknesses? yes x none reported
- Noncompliance material to
 financial statements noted? yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes x no
- Significant deficiencies identified that are not
 considered to be material weaknesses? yes x none reported

Type of auditor's report issued on compliance for major programs:
 _____ Unqualified _____

Any audit findings disclosed that are required to be reported in accordance with Circular A-133,
 Section .510(a)? yes x no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.287</u>	<u>Title IV - 21st Century - Intermediate Academy</u>
<u>84.287</u>	<u>Title IV - 21st Century - Edison</u>
<u>84.287</u>	<u>Title IV - 21st Century - John Deere Middle School</u>

Dollar threshold used to distinguish between type A and type B programs: _____ \$300,000 _____

Auditee qualified as low-risk auditee? yes x no

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Section II: Financial Statement Findings:

FINDING NO. 09-1 - Controls Over Financial Statement Preparation (Repeat from 2008 - No. 08-1 and 2007 - No. 07-1)

Criteria/Specific Requirement:

The Regional Office of Education No. 49 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education No. 49 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Effect:

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

Cause:

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Section II: Financial Statement Findings:

FINDING NO. 09-1 - Controls Over Financial Statement Preparation (Repeat from 2008 - No. 08-1 and 2007 - No. 07-1) (Continued)

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education No. 49 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office now has seven positions that have some direct review, contact and oversight of its financial statements. These individuals have and will continue to attend training opportunities to enhance their knowledge of the applicable accounting principles and other areas needed to have a sufficient set of internal controls over financial statement preparation. Continued oversight and opportunities to crosscheck will be investigated.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Section III: Findings and Questioned Costs for Federal Awards:

None

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
June 30, 2009

FINDING NO. 09-1 - Controls Over Financial Statement Preparation (Repeat from 2008 - No. 08-1 and 2007 - No. 07-1)

Condition:

The Regional Office of Education No. 49 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office now has seven positions that have some direct review, contact and oversight of its financial statements. These individuals have and will continue to attend training opportunities to enhance their knowledge of the applicable accounting principles and other areas needed to have a sufficient set of internal controls over financial statement preparation. Continued oversight and opportunities to crosscheck will be investigated.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable James Widdop, Jr., Regional Superintendent

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2009

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
08-1	Controls Over Financial Statement Preparation	Repeated
08-2	Payment of Finance Charges and Late Fees	Resolved
08-3	Inaccurate Expenditure Reports	Resolved
08-4	Lack of Documentation and Inadequate Internal Control Over Disbursements	Resolved
08-5	Inadequate Consultation with Private Schools	Resolved
08-6	Inadequate Controls Over Cash Management	Resolved

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Rock Island County Regional Office of Education No. 49 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with Rock Island County Regional Office of Education No. 49's financial statements, which follow.

2009 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$502,416 in fiscal year 2008 to \$508,129 in fiscal year 2009. The reason for the change is attributable to an increase in on-behalf payments. General Fund expenditures also increased from \$502,126 in fiscal year 2008 to \$510,427 in fiscal year 2009. Again, the change is mainly due to an increase in on-behalf payments. Rock Island County Regional Office of Education No. 49's General Fund balance decreased in fiscal year 2009 to (\$2,008) from the 2008 balance of \$290. The General Fund of Rock Island County Regional Office of Education No. 49 consists only of the ROE Operations grant, which was slightly decreased this year.
- Institute Fund revenues decreased from \$39,222 in fiscal year 2008 to \$21,947 in fiscal year 2009. The decrease was primarily due to a downtrend in the certificate registration five-year cycle. Expenses in the Institute Fund increased from \$36,547 in fiscal year 2008 to \$37,685 in fiscal year 2009. This increase was primarily due to a small increase in Institute Fund workshop activities.
- Education Fund revenues increased from \$4,133,993 in fiscal year 2008 to \$4,305,841 in fiscal year 2009. Expenses also increased from \$4,083,783 in fiscal year 2008 to \$4,386,343 in fiscal year 2009. The increase in revenues and expenses in the Education Fund is due to additional increase of revenues and expenses in the School Improvement grants.
- Enterprise Workshop Fund revenues increased from \$894,444 in fiscal year 2008 to \$920,705 in fiscal year 2009. This increase was primarily due to increased School Improvement workshops, which brought revenue closer to the amounts received in fiscal year 2007.
- Government-wide revenues increased 3% from \$5,584,908 in fiscal year 2008 to \$5,774,647 in fiscal year 2009. Government-wide expenses increased 8% from \$5,596,041 in fiscal year 2008 to \$6,061,679 in fiscal year 2009.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of Rock Island County Regional Office of Education No. 49's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Rock Island County Regional Office of Education No. 49 as a whole and present an overall view of Rock Island County Regional Office of Education No. 49's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Rock Island County Regional Office of Education No. 49's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Rock Island County Regional Office of Education No. 49 acts solely as an agent or custodian for the benefit of those outside of Rock Island County Regional Office of Education No. 49.

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

Required Supplemental Information further explains and supports the financial statements with information about the Illinois Municipal Retirement Fund Schedule of Funding Progress.

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Figure A-1 summarizes the major features of Rock Island County Regional Office of Education No. 49's financial statements, including the portion of Rock Island County Regional Office of Education No. 49's activities they cover and the types of information they contain.

Figure A-1 Major Features of the Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Rock Island County Regional Office of Education No. 49 (except fiduciary funds)	The activities of Rock Island County Regional Office of Education No. 49 that are not proprietary or fiduciary, such as grants and statutory funds	Activities Rock Island County Regional Office of Education No. 49 operates similar to private businesses: Workshops	Instances in which Rock Island County Regional Office of Education No. 49 administers resources on behalf of someone else, such as the Distributive Fund
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Revenues, Expenses, and Changes in Fund Net Assets • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

**REPORTING ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49'S
FINANCIAL ACTIVITIES**

Government-wide Financial Statements

The government-wide financial statements report information about Rock Island County Regional Office of Education No. 49 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of Rock Island County Regional Office of Education No. 49's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report Rock Island County Regional Office of Education No. 49's net assets and how they have changed. Net assets - the difference between Rock Island County Regional Office of Education No. 49's assets and liabilities - are one way to measure Rock Island County Regional Office of Education No. 49's financial health or financial position. Over time, increases or decreases in Rock Island County Regional Office of Education No. 49's net assets are an indicator of whether financial position is improving or deteriorating. To assess Rock Island County Regional Office of Education No. 49's overall health, additional non-financial factors, such as changes in Rock Island County Regional Office of Education No. 49's grant funding and the condition of facilities need to be considered.

In the government-wide financial statements, Rock Island County Regional Office of Education No. 49's activities are divided into two categories:

- *Governmental activities:* Most of Rock Island County Regional Office of Education No. 49's basic services are included here, such as grants and statutory funds. Federal and state grant proceeds finance most of these activities.
- *Business-type activities:* Rock Island County Regional Office of Education No. 49 charges fees to help cover the costs of certain services it provides. Rock Island County Regional Office of Education No. 49's workshop fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about Rock Island County Regional Office of Education No. 49's funds, focusing on its most significant or "major" funds - not Rock Island County Regional Office of Education No. 49 as a whole. Funds are accounting devices Rock Island County Regional Office of Education No. 49 uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law. Rock Island County Regional Office of Education No. 49 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Rock Island County Regional Office of Education No. 49 has three kinds of funds:

1) *Governmental funds*: Most of Rock Island County Regional Office of Education No. 49's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance Rock Island County Regional Office of Education No. 49's programs.

Rock Island County Regional Office of Education No. 49's governmental funds include the General Fund and Special Revenue Funds.

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

2) *Proprietary funds*: Services for which Rock Island County Regional Office of Education No. 49 charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. Rock Island County Regional Office of Education No. 49's Enterprise Funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. Rock Island County Regional Office of Education No. 49 currently has one Enterprise Fund, the Workshop Fund.

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

3) *Fiduciary funds*: Rock Island County Regional Office of Education No. 49 is the trustee, or fiduciary, for assets that belong to others. These funds include Agency Funds.

- Agency Funds - These are funds through which Rock Island County Regional Office of Education No. 49 administers and accounts for certain federal and/or state grants on behalf of others.

Rock Island County Regional Office of Education No. 49 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. Rock Island County Regional Office of Education No. 49 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statement for fiduciary funds includes a Statement of Fiduciary Net Assets.

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Government-Wide Financial Analysis

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of Rock Island County Regional Office of Education No. 49, assets exceeded liabilities by \$630,480 as of June 30, 2009.

A portion of Rock Island County Regional Office of Education No. 49's net assets (10%) reflects its investment in capital assets (e.g., furniture and equipment), less any related debt used to acquire those assets that is still outstanding. Although Rock Island County Regional Office of Education No. 49's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Rock Island County Regional Office of Education No. 49's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of Rock Island County Regional Office of Education No. 49's net assets for the fiscal year ended June 30, 2009 and 2008.

<u>2009</u>	Governmental	Business-	
	Activities	Type	Total
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Current assets	\$ 1,096,364	\$ 476,524	\$ 1,572,888
Capital assets, net of accumulated depreciation	33,455	30,592	64,047
Total assets	<u>1,129,819</u>	<u>507,116</u>	<u>1,636,935</u>
Current liabilities	<u>890,534</u>	<u>115,921</u>	<u>1,006,455</u>
Net assets			
Invested in capital assets, net of related debt	33,455	30,592	64,047
Unrestricted	79,688	360,603	440,291
Restricted for teacher professional development	<u>126,142</u>	-	<u>126,142</u>
Total net assets	<u>\$ 239,285</u>	<u>\$ 391,195</u>	<u>\$ 630,480</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

<u>2008</u>	Governmental Activities	Business- Type Activities	Total
Current assets	\$ 707,393	\$ 538,436	\$ 1,245,829
Capital assets, net of accumulated depreciation	45,045	35,295	80,340
Total assets	<u>752,438</u>	<u>573,731</u>	<u>1,326,169</u>
Current liabilities	<u>408,657</u>	<u>-</u>	<u>408,657</u>
Net assets			
Invested in capital assets, net of related debt	45,045	35,295	80,340
Unrestricted	156,856	538,436	695,292
Restricted for teacher professional development	<u>141,880</u>	<u>-</u>	<u>141,880</u>
Total net assets	<u>\$ 343,781</u>	<u>\$ 573,731</u>	<u>\$ 917,512</u>

The largest portion of Rock Island County Regional Office of Education No. 49's net assets is unrestricted. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements were \$440,291 and \$695,292 for 2009 and 2008, respectively. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

Changes in net assets. Rock Island County Regional Office of Education No. 49's total revenue for the fiscal year ended June 30, 2009 was \$5,774,647. The total cost of all programs and services was \$6,061,679. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2009 and 2008.

<u>2009</u>	Governmental Activities	Business- Type Activities	Total
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 920,705	\$ 920,705
Operating grants and contributions	4,273,996	-	4,273,996
General revenues			
Local sources	228,793	-	228,793
On-behalf payments	<u>351,153</u>	<u>-</u>	<u>351,153</u>
Total revenues	<u>4,853,942</u>	<u>920,705</u>	<u>5,774,647</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

2009

	<u>Governmental</u>	<u>Business-</u>	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>
		<u>Activities</u>	
Expenses:			
Instructional services			
Salaries	\$ 1,620,967	\$ 133,673	\$ 1,754,640
Benefits	156,607	8,883	165,490
Purchased services	2,653,952	927,286	3,581,238
Supplies and materials	117,025	13,761	130,786
Other objects	777	-	777
Payments to other governments	31,845	1,000	32,845
Depreciation	24,813	18,638	43,451
Capital outlay	1,299	-	1,299
Administrative			
On-behalf payments	<u>351,153</u>	<u>-</u>	<u>351,153</u>
Total expenses	<u>4,958,438</u>	<u>1,103,241</u>	<u>6,061,679</u>
Change in net assets	(104,496)	(182,536)	(287,032)
Net assets, beginning of year	<u>343,781</u>	<u>573,731</u>	<u>917,512</u>
Net assets, end of year	<u>\$ 239,285</u>	<u>\$ 391,195</u>	<u>\$ 630,480</u>

Operating grants and contributions account for 74% of the total revenue. Rock Island County Regional Office of Education No. 49's expenses primarily relate to instructional services, which account for 94% of the total expenses.

2008

	<u>Governmental</u>	<u>Business-</u>	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>
		<u>Activities</u>	
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 894,444	\$ 894,444
Operating grants and contributions	3,880,827	-	3,880,827
General revenues			
Local sources	413,996	-	413,996
State sources	50,714	-	50,714
On-behalf payments	344,927	-	344,927
Transfers	<u>(35,382)</u>	<u>35,382</u>	<u>-</u>
Total revenues	<u>4,655,082</u>	<u>929,826</u>	<u>5,584,908</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

2008

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Expenses:			
Instructional services			
Salaries	\$ 1,261,429	\$ 122,908	\$ 1,384,337
Benefits	138,934	61,636	200,570
Purchased services	2,527,888	720,453	3,248,341
Supplies and materials	147,014	28,256	175,270
Other objects	2,044	20	2,064
Payments to other governments	193,544	-	193,544
Depreciation	30,166	14,478	44,644
Capital outlay	2,344	-	2,344
Administrative			
On-behalf payments	<u>344,927</u>	<u>-</u>	<u>344,927</u>
Total expenses	<u>4,648,290</u>	<u>947,751</u>	<u>5,596,041</u>
Change in net assets	6,792	(17,925)	(11,133)
Net assets, beginning of year	211,466	717,179	928,645
Fund reclassification	<u>125,523</u>	<u>(125,523)</u>	<u>-</u>
Net assets, end of year	<u>\$ 343,781</u>	<u>\$ 573,731</u>	<u>\$ 917,512</u>

Operating grants and contributions account for 70% of the total revenue. Rock Island County Regional Office of Education No. 49's expenses primarily relate to instructional services, which account for 94% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$4,853,942 and \$4,655,082 and expenses were \$4,958,438 and \$4,648,290 for 2009 and 2008, respectively.

The following table presents the cost of Rock Island County Regional Office of Education No. 49's functional governmental activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and Rock Island County Regional Office of Education No. 49's residents by each of these functions.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

<u>2009</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services		
Salaries	\$ 1,620,967	\$ (113,468)
Benefits	156,607	(10,962)
Purchased services	2,653,952	(185,777)
Supplies and materials	117,025	(8,192)
Other objects	777	(577)
Payments to other governments	31,845	(2,229)
Depreciation	24,813	(24,813)
Capital outlay	1,299	12,729
Administrative		
On-behalf payments	<u>351,153</u>	<u>(351,153)</u>
Total expenses	<u>\$ 4,958,438</u>	<u>\$ (684,442)</u>
<u>2008</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services		
Salaries	\$ 1,261,429	\$ (120,175)
Benefits	138,934	(13,236)
Purchased services	2,527,888	(240,830)
Supplies and materials	147,014	(14,006)
Other objects	2,044	(195)
Payments to other governments	193,544	(18,439)
Depreciation	30,166	(30,166)
Capital outlay	2,344	14,511
Administrative		
On-behalf payments	<u>344,927</u>	<u>(344,927)</u>
Total expenses	<u>\$ 4,648,290</u>	<u>\$ (767,463)</u>

- The cost of all governmental activities was \$4,958,438 and \$4,648,290 for 2009 and 2008, respectively.
- Federal and state governments subsidized certain governmental activities with grants and contributions of \$4,273,996 and \$3,880,827 for 2009 and 2008, respectively.

Net cost of governmental activities (\$684,442), was financed by general revenues, which are made up of primarily local sources (\$228,793) and on-behalf payments (\$351,153) for 2009.

Net cost of governmental activities (\$767,463), was financed by general revenues, which are made up of primarily local and state sources (\$422,536) and on-behalf payments (\$344,927) for 2008.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Business-Type Activities

Revenues for business-type activities were \$920,705 and \$894,444 and expenses were \$1,103,241 and \$947,751 for 2009 and 2008, respectively. Rock Island County Regional Office of Education No. 49's business-type activities include the Workshop Fund. For the business-type activities, revenues are comprised of charges for services.

Both business-type revenues and expenditures increased due to workshop participation.

INDIVIDUAL FUND ANALYSIS

As previously noted, Rock Island County Regional Office of Education No. 49 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of Rock Island County Regional Office of Education No. 49 as a whole is reflected in its governmental funds, as well. As Rock Island County Regional Office of Education No. 49 completed the year, its governmental funds reported a combined fund balance of \$205,830, below last year's ending fund balance of \$298,736.

Governmental Fund Highlights

The Institute Fund balance decreased from \$141,880 in 2008 to \$126,142 in 2009. The decrease was primarily due to increased use of Institute Funds for teacher workshops.

The Education Fund balance decreased from \$140,351 in 2008 to \$59,849 in 2009. The main reason for the decrease is due to the increased tardiness of State grant payments.

Proprietary Fund Highlights

Workshop Fund net assets decreased from \$573,731 at June 30, 2008 to \$391,195 at June 30, 2009, representing a decrease of approximately 32%. The main reason for the decrease is due to the fiscal year 2008 reclassification of two programs from Workshop Fund to the Education Fund and continued lack of profitability of Workshop and Education Fund program participation.

BUDGETARY HIGHLIGHTS

Rock Island County Regional Office of Education No. 49 is not required to create a budget for overall operations. They are required to prepare budgets for most of the grants they receive. Over the course of the year, Rock Island County Regional Office of Education No. 49 amended several of the grant budgets within the Education Fund.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

CAPITAL ASSETS

As of June 30, 2009, Rock Island County Regional Office of Education No. 49 had invested \$64,047 in capital assets, including furniture and equipment. Total depreciation expense for the year was \$43,451.

The following schedules present capital asset balances net of depreciation for the fiscal years ended June 30, 2009 and 2008.

<u>2009</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 33,455	\$ 30,592	\$ 64,047
<u>2008</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 45,045	\$ 35,295	\$ 80,340

Additional information on Rock Island County Regional Office of Education No. 49's capital assets can be found in Note 4 on page 52 of this report.

ECONOMIC FACTORS BEARING ON ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49'S FUTURE

At the time these financial statements were prepared and audited, Rock Island County Regional Office of Education No. 49 was aware of several existing circumstances that could significantly affect its financial health in the future.

The financial health of the Rock Island County Regional Office of Education is dependent upon proper financial oversight and continued funding provided by State and Federal sources.

- The State of Illinois is in a dismal financial position, with a possible \$13 billion deficit, which could reflect negatively on the ability of the Regional Office of Education to obtain the grants necessary for stable or continued growth.
- The State of Illinois is in a dismal financial position with delayed FY10 payments of up to six months, causing the Regional Office to be unable to pay its partners on a timely basis and needing to use up any balances and reserves.
- The United States has been in and continues through a financial recession, which may decrease its ability to funnel federal dollars to educational grants of which the Regional Office can partake.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

**CONTACTING ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49'S
FINANCIAL MANAGEMENT**

This financial report is designed to provide Rock Island County Regional Office of Education No. 49's citizens, taxpayers, customers and constituents with a general overview of Rock Island County Regional Office of Education No. 49's finances and to demonstrate Rock Island County Regional Office of Education No. 49's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Rock Island County Regional Office of Education No. 49, 3430 Avenue of the Cities, Moline, Illinois 61265.

BASIC FINANCIAL STATEMENTS

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF NET ASSETS
June 30, 2009

ASSETS	Primary Government		
	Governmental	Business-Type	Total
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash (overdrafts) and cash equivalents	\$ (90,577)	\$ 467,291	\$ 376,714
Due from other governments	1,186,941	-	1,186,941
Other assets	-	9,233	9,233
Total current assets	1,096,364	476,524	1,572,888
Noncurrent assets:			
Capital assets, being depreciated, net	33,455	30,592	64,047
Total assets	1,129,819	507,116	1,636,935
LIABILITIES			
Current liabilities:			
Accounts payable	855,493	90,608	946,101
Accrued expenses	13,674	25,313	38,987
Due to other governments	2,095	-	2,095
Deferred revenue	19,272	-	19,272
Total liabilities	890,534	115,921	1,006,455
NET ASSETS			
Invested in capital assets, net of related debt	33,455	30,592	64,047
Unrestricted	79,688	360,603	440,291
Restricted for teacher professional development	126,142	-	126,142
Total net assets	\$ 239,285	\$ 391,195	\$ 630,480

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

EXHIBIT B

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Instructional services:						
Salaries	\$ 1,620,967	\$ -	\$ 1,507,499	\$ (113,468)	\$ -	\$ (113,468)
Benefits	156,607	-	145,645	(10,962)	-	(10,962)
Purchased services	2,653,952	-	2,468,175	(185,777)	-	(185,777)
Supplies and materials	117,025	-	108,833	(8,192)	-	(8,192)
Other objects	777	-	200	(577)	-	(577)
Payments to other governments	31,845	-	29,616	(2,229)	-	(2,229)
Depreciation	24,813	-	-	(24,813)	-	(24,813)
Capital outlay	1,299	-	14,028	12,729	-	12,729
Administrative:						
On-behalf payments	<u>351,153</u>	<u>-</u>	<u>-</u>	<u>(351,153)</u>	<u>-</u>	<u>(351,153)</u>
Total governmental activities	<u>4,958,438</u>	<u>-</u>	<u>4,273,996</u>	<u>(684,442)</u>	<u>-</u>	<u>(684,442)</u>
Business-type activities:						
Other	<u>1,103,241</u>	<u>920,705</u>	<u>-</u>	<u>-</u>	<u>(182,536)</u>	<u>(182,536)</u>
Total primary government	<u>\$ 6,061,679</u>	<u>\$ 920,705</u>	<u>\$ 4,273,996</u>	<u>(684,442)</u>	<u>(182,536)</u>	<u>(866,978)</u>
General revenues:						
Local sources				228,793	-	228,793
On-behalf payments				<u>351,153</u>	<u>-</u>	<u>351,153</u>
Total general revenues and transfers				<u>579,946</u>	<u>-</u>	<u>579,946</u>
CHANGES IN NET ASSETS				(104,496)	(182,536)	(287,032)
NET ASSETS, BEGINNING OF YEAR				<u>343,781</u>	<u>573,731</u>	<u>917,512</u>
NET ASSETS, END OF YEAR				<u>\$ 239,285</u>	<u>\$ 391,195</u>	<u>\$ 630,480</u>

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2009

		Special Revenue			
	<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash (overdrafts) and cash equivalents	\$ (40,725)	\$ 126,142	\$ (196,907)	\$ 20,913	\$ (90,577)
Due from other governments	<u>56,976</u>	<u>-</u>	<u>1,129,031</u>	<u>934</u>	<u>1,186,941</u>
TOTAL ASSETS	<u>\$ 16,251</u>	<u>\$ 126,142</u>	<u>\$ 932,124</u>	<u>\$ 21,847</u>	<u>\$ 1,096,364</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 16,288	\$ -	\$ 839,205	\$ -	\$ 855,493
Accrued expenses	1,971	-	11,703	-	13,674
Due to other governments	-	-	2,095	-	2,095
Deferred revenue	-	-	<u>19,272</u>	-	<u>19,272</u>
Total liabilities	<u>18,259</u>	<u>-</u>	<u>872,275</u>	<u>-</u>	<u>890,534</u>
FUND BALANCES					
Unreserved, reported in:					
General fund	(2,008)	-	-	-	(2,008)
Special revenue funds	-	126,142	<u>59,849</u>	<u>21,847</u>	<u>207,838</u>
Total fund balances	<u>(2,008)</u>	<u>126,142</u>	<u>59,849</u>	<u>21,847</u>	<u>205,830</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,251</u>	<u>\$ 126,142</u>	<u>\$ 932,124</u>	<u>\$ 21,847</u>	<u>\$ 1,096,364</u>

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2009

Total fund balances - governmental funds (page 34) \$ 205,830

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

Capital assets used in governmental activities are not
current financial resources and, therefore, are not
reported in the funds.

33,455

Net assets of governmental activities (page 32)

\$ 239,285

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2009

	Special Revenue				Total Governmental Funds
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	
REVENUES:					
Local sources	\$ -	\$ 21,947	\$ 272,412	\$ 16,143	\$ 310,502
State sources	156,976	-	3,505,777	1,882	3,664,635
Federal sources	-	-	527,652	-	527,652
On-behalf payments	351,153	-	-	-	351,153
Total revenues	<u>508,129</u>	<u>21,947</u>	<u>4,305,841</u>	<u>18,025</u>	<u>4,853,942</u>
EXPENDITURES:					
Current:					
Education:					
Salaries	84,402	-	1,536,565	-	1,620,967
Benefits	13,205	-	143,402	-	156,607
Purchased services	25,214	37,137	2,579,955	11,646	2,653,952
Supplies and materials	4,608	548	111,337	532	117,025
Other objects	-	-	-	215	215
Payments to other governments	31,845	-	-	-	31,845
On-behalf payments	351,153	-	-	-	351,153
Capital outlay	-	-	15,084	-	15,084
Total expenditures	<u>510,427</u>	<u>37,685</u>	<u>4,386,343</u>	<u>12,393</u>	<u>4,946,848</u>
NET CHANGE IN FUND BALANCES	(2,298)	(15,738)	(80,502)	5,632	(92,906)
FUND BALANCE, BEGINNING OF YEAR	<u>290</u>	<u>141,880</u>	<u>140,351</u>	<u>16,215</u>	<u>298,736</u>
FUND BALANCE, END OF YEAR	<u>\$ (2,008)</u>	<u>\$ 126,142</u>	<u>\$ 59,849</u>	<u>\$ 21,847</u>	<u>\$ 205,830</u>

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2009**

Net change in fund balances (page 36) \$ (92,906)

Amounts reported for governmental activities in the

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

Capital outlays	\$	13,785	
Depreciation expense		(24,813)	
Loss on disposal of assets		(562)	(11,590)

Change in net assets of governmental activities (page 33) \$ (104,496)

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

	<u>Enterprise Fund Workshops</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 467,291
Other assets	9,233
Total current assets	476,524
Noncurrent assets:	
Capital assets, net of accumulated depreciation	30,592
Total assets	507,116
LIABILITIES	
Accounts payable	90,608
Accrued expenses	25,313
Total liabilities	115,921
NET ASSETS	
Invested in capital assets, net of related debt	30,592
Unrestricted	360,603
Total net assets	\$ 391,195

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	Enterprise Fund Workshops
Operating revenues:	
Charges for services	\$ <u>920,705</u>
Operating expenses:	
Current:	
Education:	
Salaries	133,673
Benefits	8,883
Purchased services	927,286
Supplies and materials	13,761
Payments to other governments	1,000
Depreciation expense	<u>18,638</u>
Total operating expenses	<u>1,103,241</u>
Operating loss	(182,536)
Net assets - beginning	<u>573,731</u>
Net assets - ending	<u>\$ 391,195</u>

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	Enterprise Fund <u>Workshops</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from workshops	\$ 950,582
Payments to suppliers and providers of goods and services	(851,439)
Payments to employees	(117,243)
Net cash used in operating activities	<u>(18,100)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	<u>(13,935)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(32,035)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>499,326</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 467,291</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (182,536)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	18,638
Change in assets and liabilities:	
Decrease in other assets	29,877
Increase in accounts payable	90,608
Increase in accrued expenses	<u>25,313</u>
Net cash used in operating activities	<u>\$ (18,100)</u>

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
June 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>483,877</u>
LIABILITIES	
Due to others	\$ 12,840
Due to other governments and agencies	<u>471,037</u>
Total liabilities	<u>\$ 483,877</u>

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rock Island County Regional Office of Education No. 49 was created when an Educational Service Region became a Regional Office of Education on August 7, 1995. The Rock Island County Regional Office of Education No. 49 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education encompasses Rock Island County, Illinois. A Regional Superintendent of Schools serves as Chief Administrative Officer of Rock Island County Regional Office of Education No. 49 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 Rock Island County Regional Office of Education No. 49 also include, but are not limited to, the following:

- Processing teachers' certificates;
- Teaching initial and refresher classes for school bus drivers within Rock Island County Regional Office of Education No. 49;
- Review life/safety requirements for schools in conjunction with the State of Illinois;
- Issuing newsletters regarding new Illinois life/safety requirements;
- Monitoring compliance with State laws and Department of Education policies and procedures;
- Providing directions to teachers and school officials on science, art, and teaching methods;
- Implementing the State Board of Education's Policy Programs; and
- Encouraging camaraderie among teachers through the teachers' institute.

The Regional Office of Education No. 49's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental agencies of this type.

A. Principles Used to Determine the Scope of the Reporting Entity

The Rock Island County Regional Office of Education No. 49's reporting entity includes all related organizations for which it exercises oversight responsibility.

The Rock Island County Regional Office of Education No. 49 has developed criteria to determine whether outside agencies with activities which benefit the citizens of Rock Island County Regional Office of Education No. 49, including joint agreements which serve pupils from numerous school districts, should be included within its financial reporting entity. The criteria include but are not limited to, whether Rock Island County Regional Office of Education No. 49 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Rock Island County Regional Office of Education No. 49 has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the Regional Office of Education No. 49's financial statements. In addition, the Regional Office of Education No. 49 is not aware of any entity which would exercise such oversight which would result in the Regional Office of Education No. 49 being considered a component unit of the entity.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of Rock Island County Regional Office of Education No. 49. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by intergovernmental and local revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents Rock Island County Regional Office of Education No. 49's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

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

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

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management that can be removed or modified.

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

Rock Island County Regional Office of Education No. 49 reports the following major governmental funds:

The General Fund is the operating fund of Rock Island County Regional Office of Education No. 49. The General Fund, which consists of the ROE Operations Fund, accounts for all financial resources except those required to be accounted for in another fund.

The Institute Fund is used to account for the stewardship of the assets held in trust for the benefit of Rock Island County Regional Office of Education No. 49's teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

The Education Fund is used to account for State and Federal grant monies received for, and payment of, administering numerous grant awards which include:

Mathematics and Science Partnership - to account for grant monies received for, and payment of, the NIMS (Northwestern Illinois Math and Science) program.

Title IV - 21st Century - Intermediate Academy - to account for grant monies received for, and payment of, the 21st Century program for the Intermediate Academy.

Title IV - 21st Century - Edison - to account for grant monies received for, and payment of, the 21st Century program at Edison Junior High School.

Title IV - 21st Century - John Deere Middle School - to account for grant monies received for, and payment of, the 21st Century program at John Deere Middle School.

Technology Program - to account for grant monies received for, and payment of, the HUB/Learning Technology Center Technology Program.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Regional Safe Schools Program - to account for grant monies received for, and payment of, the Regional Safe Schools Program.

Truants' Alt. and Optional Education - to account for grant monies received for, and payment of, expenses of the Truants' Alt. and Optional Education Program.

Early Childhood Ages 0-3 - to account for grant monies received for, and payment of, expenses of early childhood education for children ages 0-3.

Early Childhood Ages 3-5 - to account for grant monies received for, and payment of, expenses of early childhood education for children ages 3-5.

Early Childhood Pre-K - to account for grant monies received for, and payment of, expenses of early childhood education for children preparing for kindergarten.

McKinney Education for Homeless Children - to account for grant monies received for, and payment of, expenses for programs for educating homeless children.

Early Childhood Teacher Preparation - to account for grant monies received for, and payment of, expenses for teacher preparation programs.

Beginning Teacher Mentoring - used to account for grant monies received for, and expenditures incurred to, support programs associated with assisting new teachers.

Department of Commerce and Economic Opportunity (DCEO) Grant - used to account for grant monies received for and expenditures incurred for the legislator-initiated projects for three local school districts.

Early Childhood Prevention Initiative - used to account for grant monies received for and expenditures incurred to, address the needs of at-risk families with children ranging from birth to 3 years of age.

Early Childhood Pre-School for All - used to account for grant monies received for and expenditures incurred to, address the needs of at-risk families with children ranging from 3-5 years of age.

Regional System of Support Provider (RESPRO) - used to account for grant monies received for and expenditures incurred to, provide technical assistance to districts and schools in academic status.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tyson Settlement Program - used to account for settlement monies received for, and expenses incurred to, support environmental programs.

Local Area Network (LAN) #29 Grant - used to account for grant monies received for and expenditures incurred to, support a tutoring program that serves at risk students and chronic truant children.

Gifted Education - used to account for grant monies received for and expenditures incurred to provide education to teachers to help identify gifted and talented learners, provide support and address their diverse need and facilitate at least a year's achievement of growth and development.

Rock Island County Regional Office of Education No. 49 reports the following nonmajor governmental funds:

General Educational Development - to account for the administration of the General Educational Development Testing Program. Revenues are received from testing and diploma fees.

School Bus Driver Training - to account for the stewardship of the assets held in trust in connection with the Bus Driver Training Program.

Supervisory Expense - to account for monies from the State of Illinois for expenditures incurred providing supervisory services in the County.

Rock Island County Regional Office of Education No. 49's proprietary fund is the Enterprise, Workshops Fund. This fund is used to account for workshops provided by the Rock Island County Regional Office of Education No. 49.

Rock Island County Regional Office of Education No. 49 reports fiduciary funds which are used to account for assets held by the Regional Office of Education No. 49 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Rock Island County Regional Office of Education No. 49's fiduciary funds include the following:

Agency Funds - Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The Regional Superintendent maintains the following Agency Funds:

Distributive - used to account for funds distributed by the Illinois State Board of Education to Rock Island County Regional Office of Education No. 49. Rock Island County Regional Office of Education No. 49 is responsible for forwarding these monies to local school districts and private schools in Rock Island County.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cafeteria Plan - used to account for funds collected through payroll deductions from participating employees. Rock Island County Regional Office of Education No. 49 is responsible for reimbursing the cost of employees' medical expenses.

C. Measurement Focus and Basis of Accounting

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

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by Rock Island County Regional Office of Education No. 49.

Rock Island County Regional Office of Education No. 49 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

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

Under the terms of grant agreements, Rock Island County Regional Office of Education No. 49 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is Rock Island County Regional Office of Education No. 49's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In accordance with GASB 20, the proprietary fund of Rock Island County Regional Office of Education No. 49 applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, and Accounting Principles Board Opinions.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of Rock Island County Regional Office of Education No. 49's Enterprise Fund are charges to customers for services provided in workshops. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Rock Island County Regional Office of Education No. 49 maintains its financial records on the cash basis. The financial statements of Rock Island County Regional Office of Education No. 49 are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

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

Cash and investments - The cash and investment balances of Rock Island County Regional Office of Education No. 49 are valued at cost.

Capital assets - Capital assets, which include furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by Rock Island County Regional Office of Education No. 49 as assets with an initial, individual cost in excess of \$500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 5-10 years.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unexpended grant proceeds.

Fund equity - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restricted net assets - In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

Rock Island County Regional Office of Education No. 49 does not adopt a formal budget for all revenues and expenditures of the governmental funds and is not required to do so. Certain programs administered by the Rock Island County Regional Office of Education No. 49 are subject to budget approval by the State of Illinois (ROE Operations, Mathematics and Science Partnership, Title IV - 21st Century - Intermediate Academy, Title IV - 21st Century - Edison, Title IV - 21st Century - John Deere Middle School, Technology Program, Regional Safe Schools Program, Truants' Alt. and Optional Education, Early Childhood Ages 0-3, Early Childhood Ages 3-5, Early Childhood Pre-K, McKinney Education for Homeless Children, Early Childhood Teacher Preparation, Beginning Teacher Mentoring, Early Childhood Prevention Initiative, and Early Childhood Pre-School for All).

F. Subsequent Events

Management has evaluated subsequent events through June 23, 2010, the date the financial statements were available to be issued.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 - CASH AND CASH EQUIVALENTS

The deposits of Rock Island County Regional Office of Education No. 49 monies is governed by the provisions of the Illinois Compiled Statutes.

Deposits

At June 30, 2009, the carrying amount of Rock Island County Regional Office of Education No. 49's deposits was \$860,591 and the bank balance was \$904,947.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, Rock Island County Regional Office of Education No. 49's deposits may not be returned. Rock Island County Regional Office of Education No. 49 does not have a deposit policy for custodial credit risk. As of June 30, 2009, all of Rock Island County Regional Office of Education No. 49's deposits were covered by FDIC insurance of \$250,000 at June 30, 2009 and additionally covered by collateral held by the financial institution in Rock Island County Regional Office of Education No. 49's name.

A reconciliation of cash and cash equivalents as shown on the combined balance sheet for the primary government is as follows:

	<u>Carrying Amount</u>
Cash and cash equivalents - Governmental Activities	\$ (90,577)
Cash and cash equivalents - Business-type Activities	467,291
Cash and cash equivalents - Agency	<u>483,877</u>
Total	<u>\$ 860,591</u>

NOTE 3 - DUE FROM/TO OTHER GOVERNMENTS

Amounts due from/to other governments as of June 30, 2009 are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund		
Due to ISBE	\$ 56,976	\$ -
Education Fund		
Title IV - 21st Century Edison		
Due to ISBE	-	2,095
Technology Program		
Due from ISBE	37,535	-
Regional Safe Schools		
Due from ISBE	99,876	-

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 3 - DUE FROM/TO OTHER GOVERNMENTS (CONTINUED)

	Due From	Due To
Truants' Alt. and Optional Education		
Due from ISBE	\$ 26,507	\$ -
Early Childhood Ages 0-3		
Due from ISBE	15,344	-
Early Childhood Ages 3-5		
Due from ISBE	362,526	-
Early Childhood Pre-K		
Due from ISBE	200,000	-
Early Childhood Teacher Preparation		
Due from ISBE	29,116	-
Beginning Teacher Mentoring		
Due from ISBE	39,122	-
Early Childhood Prevention Initiative		
Due from ISBE	60,284	-
Early Childhood Pre-School For All		
Due from ISBE	240,000	-
RESPRO		
Due from state governments	18,721	-
Other Nonmajor Funds		
General Educational Development		
Due from local governments	818	-
School Bus Driver Training		
Due from local governments	116	-
Agency Fund		
Distributive		
Due to various local governmental agencies	-	471,037
Total	<u>\$1,186,941</u>	<u>\$ 473,132</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2009 is as follows:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Governmental activities:				
Capital assets being depreciated:				
Furniture and equipment	\$ 298,897	\$ 13,785	\$ (24,100)	\$ 288,582
Accumulated depreciation	<u>(253,852)</u>	<u>(24,813)</u>	<u>23,538</u>	<u>(255,127)</u>
Governmental activities capital assets, net	<u>\$ 45,045</u>	<u>\$ (11,028)</u>	<u>\$ (562)</u>	<u>\$ 33,455</u>
Business-type activities:				
Capital assets being depreciated:				
Furniture and equipment	\$ 119,882	\$ 13,935	\$ (7,090)	\$ 126,727
Accumulated depreciation	<u>(84,587)</u>	<u>(18,638)</u>	<u>7,090</u>	<u>(96,135)</u>
Business-type activities capital assets, net	<u>\$ 35,295</u>	<u>\$ (4,703)</u>	<u>\$ -</u>	<u>\$ 30,592</u>
Depreciation expense was charged as follows:				
Governmental activities:				
Instruction:				
Depreciation expense				<u>\$ 24,813</u>
Business-type activities:				
Other:				
Depreciation expense				<u>\$ 18,638</u>

NOTE 5 - EMPLOYEE BENEFIT PLAN

Rock Island County Regional Office of Education No. 49's employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by Rock Island County and the Rock Island County Regional Office of Education No. 49 through grant monies on behalf of the Rock Island County Regional Office of Education No. 49 staff employees and grant coordinators.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

Rock Island County is a participating member of the Illinois Municipal Retirement Fund whose coverage includes all Rock Island County Regional Office of Education No. 49 employees who.

- a. Occupy a job normally requiring 1,000 hours or more per year;
- b. Are paid on a regular payroll from Rock Island County or Rock Island County Regional Office of Education No. 49 funds;
- c. Were under age sixty when first entering employment; and
- d. Are not covered by another state created retirement system for the same service.

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

The Regional Superintendent and Assistant Regional Superintendent of Rock Island County Regional Office of Education No. 49 are paid by the State of Illinois. Certain staff employees of Rock Island County Regional Office of Education No. 49's office are employed and paid by Rock Island County (other support staff and grant coordinators are paid by Rock Island County Regional Office of Education No. 49 through grant monies). Rock Island County Regional Office of Education No. 49 has no separate employee benefit plan.

Illinois Municipal Retirement Fund

Plan Description. The Regional Office of Education No. 49's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 49 plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education No. 49 Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 9.24 percent of annual covered payroll. The Regional Office of Education No. 49 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2008, the Regional Office of Education No. 49's annual pension cost of \$78,348 for the Regular plan was equal to the Regional Office of Education No. 49's required and actual contributions.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 78,348	100%	\$ -
12/31/07	53,308	100%	-
12/31/06	49,329	100%	-

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education No. 49 Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education No. 49 Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 5 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 97.29 percent funded. The actuarial accrued liability for benefits was \$433,157 and the actuarial value of assets was \$421,431, resulting in an underfunded actuarial accrued liability (UAAL) of \$11,726. The covered payroll (annual payroll of active employees covered by the plan) was \$847,921 and the ratio of the UAAL to the covered payroll was 1 percent.

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6 - RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

The Regional Office of Education participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2009, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2008 and 2007. In addition, virtually all members pay a contribution to the Teacher's Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of this retirement plan. The employer THIS Fund contribution was 0.63 percent during the year ended June 30, 2009, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education No. 49's TRS-covered employees.

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 49. For the year ended June 30, 2009, the State of Illinois contributions were based on 17.08 percent of creditable earnings not paid from federal funds, and the Regional Office of Education No. 49 recognized revenue and expenditures of \$74,676 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007 the State of Illinois contribution rates as percentages of creditable earnings were 13.11 percent (\$58,068) and 9.78 percent (\$64,282), respectively.

The state contributions to TRS for the years ended June 30, 2009 and 2008 were based on an actuarial formula. The state contributions for the years ended June 30, 2007 was based on a dollar amount specified by the statute and were not actuarially determined.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6 - RETIREMENT PLANS (CONTINUED)

Rock Island County Regional Office of Education No. 49 makes other types of employer contributions directly to TRS.

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contribution for the year ended June 30, 2009 was \$4,608. Contributions for the years ending June 30, 2008 and June 30, 2007 were \$3,583 and \$3,966, respectively.
- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 49, there is a statutory requirement for the Regional Office of Education No. 49 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate for TRS. For the year ended June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer pension contribution was 13.11 and 9.78 percent of salaries paid from federal and special trusts funds, respectively. For the year ended June 30, 2009, salaries totaling \$42,375 were paid from federal and special trust funds that required employer contributions of \$7,238. For the years ended June 30, 2008 and June 30, 2007, required Regional Office of Education No. 49 contributions were \$-0- and \$7,240 in contributions, respectively.
- **Early Retirement Option.** The Regional Office of Education No. 49 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004, a "Pipeline ERO" program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies in the Pipeline ERO). Under the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2009, the Regional Office of Education paid \$-0-. For the years ended June 30, 2008 and June 30, 2007 the Regional Office of Education No. 47 paid \$-0- in employer ERO contributions.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6 - RETIREMENT PLANS (CONTINUED)

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS.
 - If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases up to 6 percent. For the years ended June 30, 2009, June 30, 2008, and June 30, 2007, the Regional Office of Education No. 49 did not make any contributions to TRS for salary increases in excess of 6 percent.
 - If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.67 percent of salary during the year ended June 30, 2009). For the years ended June 30, 2009, June 30, 2008, and June 30, 2007, the Regional Office of Education No. 49 did not make any contributions to TRS for sick leave days granted in excess of normal annual allotment.

TRS financial information, an explanation of TRS' benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2008. The report for the year ended June 30, 2009, is expected to be available in late 2009. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.trs.state.il.us.

NOTE 7 - INTEREST EARNINGS ON PUBLIC FUNDS

Revenues are partially derived from interest on deposits of the various funds under the jurisdiction of Rock Island County Regional Office of Education No. 49. A substantial portion of these interest earnings have been earned on monies which are passed through from the Illinois State Board of Education to the various school districts within the County.

Illinois Compiled Statutes require that interest earned by a public agency on investments of funds held for, but owned by, another public agency shall be credited to the public agency for which the investment is made; i.e. the owner of the funds.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 7 - INTEREST EARNINGS ON PUBLIC FUNDS (CONTINUED)

At June 30, 2009, undistributed interest earnings credited to other governments and organizations are as follows:

State and Federal Aid Distributive Fund	<u>\$ 29,842</u>
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Interest earnings credited to other governments and organizations are distributed in cash or in lieu of cash and are used to pay for inservice training pursuant to agreements signed by the other governments and organizations with the Regional Superintendent.

NOTE 8 - ON-BEHALF PAYMENTS

The salaries and fringe benefits of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois.

The breakdown of on-behalf payments for the year ended June 30, 2009 is as follows:

Regional Superintendent salary	\$ 100,762
Regional Superintendent benefits (Includes State paid insurance)	22,427
Assistant Regional Superintendent salary	90,686
Assistant Regional Superintendent benefits (Includes State paid insurance)	21,771
County On-behalf payments	40,831
TRS On-behalf payments	<u>74,676</u>
Total	<u>\$ 351,153</u>

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

NOTE 9 - DEFICIT FUND BALANCES

At June 30, 2009, the following funds had deficit fund balances. They are expected to correct themselves in 2010, through payments from the State and transfers from local funds.

General Fund	\$ (2,008)
Education Fund	
Mathematics and Science Partnership	(4,918)
Gifted Education	(3,399)

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 10 - RISK MANAGEMENT

Rock Island County Regional Office of Education No. 49 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. Rock Island County Regional Office of Education No. 49 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

NOTE 11 - NEW PRONOUNCEMENTS

In 2009, Rock Island County Regional Office of Education No. 49 adopted Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*; GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. Rock Island County Regional Office of Education No. 49 implemented these standards during the current year; however, there was no significant impact of the implementation of GASB No. 49, 52, 55, and 56 on the financial statements.

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

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FUNDING PROGRESS – ILLINOIS MUNICIPAL
RETIREMENT FUND (IMRF) (Unaudited)
June 30, 2009

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	\$ 421,431	\$ 433,157	\$ 11,726	97.29%	\$ 847,921	1.38%
12/31/07	358,964	349,925	(9,039)	102.58%	548,433	0.00%
12/31/06	424,950	448,588	23,638	94.73%	535,018	4.42%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$303,836. On a market basis, the funded ratio would be 70.14 percent.

***Digest of Changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study.

These financial statements should be read only in connection with
the accompanying notes to financial statements.

OTHER SUPPLEMENTAL INFORMATION



ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND - ROE OPERATIONS
 Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
State sources	\$ 156,976	\$ 156,976	\$ 156,976	\$ -
On-behalf payments	-	-	351,153	351,153
Total revenues	<u>156,976</u>	<u>156,976</u>	<u>508,129</u>	<u>351,153</u>
EXPENDITURES:				
Current:				
Education:				
Salaries	80,695	80,695	84,402	(3,707)
Benefits	13,636	13,636	13,205	431
Purchased services	21,300	21,300	25,214	(3,914)
Supplies and materials	7,500	7,500	4,608	2,892
Capital outlay	80,695	80,695	-	80,695
Other objects	2,000	2,000	-	2,000
Payments to other governments	31,845	31,845	31,845	-
On-behalf payments	-	-	351,153	(351,153)
Total expenditures	<u>\$ 237,671</u>	<u>\$ 237,671</u>	<u>510,427</u>	<u>\$ (272,756)</u>
NET CHANGE IN FUND BALANCE			(2,298)	
FUND BALANCE, BEGINNING OF YEAR			<u>290</u>	
FUND BALANCE, END OF YEAR			<u>\$ (2,008)</u>	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 June 30, 2009

SCHEDULE 2

		Title IV - 21st Century Intermediate Academy	Title IV - 21st Century Edison	Title IV - 21st Century John Deere Middle School	Technology Program	Regional Safe Schools Program	Truants' Alt. and Optional Education	
ASSETS								
Cash (overdrafts) and cash equivalents	\$	-	\$ 84,886	\$ 60,334	\$ 46,688	\$ (24,236)	\$ (16,905)	\$ (26,507)
Due from other governments	-	-	-	-	37,535	99,876	26,507	
TOTAL ASSETS	\$	-	\$ 84,886	\$ 60,334	\$ 46,688	\$ 13,299	\$ 82,971	\$ -
LIABILITIES AND FUND BALANCES (DEFICIT)								
LIABILITIES								
Accounts payable	\$	-	\$ 78,935	\$ 58,239	\$ 33,367	\$ 13,299	\$ 82,971	\$ -
Accrued expenses	4,918	-	-	-	-	-	-	-
Due to other governments	-	-	2,095	-	-	-	-	-
Deferred revenue	-	5,951	-	13,321	-	-	-	-
Total liabilities	4,918	84,886	60,334	46,688	13,299	82,971	-	
FUND BALANCES (DEFICIT), UNRESERVED	(4,918)	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED	\$ -	\$ 84,886	\$ 60,334	\$ 46,688	\$ 13,299	\$ 82,971	\$ -	\$ -

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 June 30, 2009

SCHEDULE 2
 (CONTINUED)

	<u>Early Childhood Ages 0-3</u>	<u>Early Childhood Ages 3-5</u>	<u>Early Childhood Pre-K</u>	<u>McKinney Education for Homeless Children</u>	<u>Early Childhood Teacher Preparation</u>	<u>Beginning Teacher Mentoring</u>	<u>DCEO</u>
ASSETS							
Cash (overdrafts) and cash equivalents	\$ (15,344)	\$ (76,524)	\$ (32,763)	\$ 4,563	\$ (23,296)	\$ (39,122)	\$ 11,188
Due from other governments	<u>15,344</u>	<u>362,526</u>	<u>200,000</u>	<u>-</u>	<u>29,116</u>	<u>39,122</u>	<u>-</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 286,002</u>	<u>\$ 167,237</u>	<u>\$ 4,563</u>	<u>\$ 5,820</u>	<u>\$ -</u>	<u>\$ 11,188</u>
LIABILITIES AND FUND BALANCES (DEFICIT)							
LIABILITIES							
Accounts payable	\$ -	\$ 286,002	\$ 167,237	\$ 4,563	\$ 5,820	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	286,002	167,237	4,563	5,820	-	-
FUND BALANCES (DEFICIT), UNRESERVED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,188</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED	<u>\$ -</u>	<u>\$ 286,002</u>	<u>\$ 167,237</u>	<u>\$ 4,563</u>	<u>\$ 5,820</u>	<u>\$ -</u>	<u>\$ 11,188</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 June 30, 2009

SCHEDULE 2
 (CONTINUED)

	Early Childhood Prevention Initiative	Early Childhood Pre-School For All	RESPRO	Tyson Settlement Program	LAN Grant	Gifted Education	Total
ASSETS							
Cash (overdrafts) and cash equivalents	\$ (45,251)	\$ (146,261)	\$ 29,606	\$ 12,037	\$ -	\$ -	\$ (196,907)
Due from other governments	<u>60,284</u>	<u>240,000</u>	<u>18,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,129,031</u>
TOTAL ASSETS	<u>\$ 15,033</u>	<u>\$ 93,739</u>	<u>\$ 48,327</u>	<u>\$ 12,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 932,124</u>
LIABILITIES AND FUND BALANCES (DEFICIT)							
LIABILITIES							
Accounts payable	\$ 15,033	\$ 93,739	\$ -	\$ -	\$ -	\$ -	\$ 839,205
Accrued expenses	-	-	3,386	-	-	3,399	11,703
Due to other governments	-	-	-	-	-	-	2,095
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,272</u>
Total liabilities	15,033	93,739	3,386	-	-	3,399	872,275
FUND BALANCES (DEFICIT), UNRESERVED	<u>-</u>	<u>-</u>	<u>44,941</u>	<u>12,037</u>	<u>-</u>	<u>(3,399)</u>	<u>59,849</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED	<u>\$ 15,033</u>	<u>\$ 93,739</u>	<u>\$ 48,327</u>	<u>\$ 12,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 932,124</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 3

	<u>Mathematics and Science Partnership</u>	<u>Title IV - 21st Century Intermediate Academy</u>	<u>Title IV - 21st Century Edison</u>	<u>Title IV - 21st Century John Deere Middle School</u>	<u>Technology Program</u>	<u>Regional Safe Schools Program</u>	<u>Truants' Alt. and Optional Education</u>
REVENUES:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	104,137	358,177	92,373
Federal sources	92,417	141,050	120,005	101,473	-	40,886	-
Total revenues	<u>92,417</u>	<u>141,050</u>	<u>120,005</u>	<u>101,473</u>	<u>104,137</u>	<u>399,063</u>	<u>92,373</u>
EXPENDITURES:							
Current:							
Education:							
Salaries	17,129	15,536	13,950	16,553	61,383	51,733	76,986
Benefits	2,276	700	452	2,932	9,794	7,620	11,505
Purchased services	72,615	122,752	104,308	80,819	30,650	338,526	3,333
Supplies and materials	5,315	2,062	1,295	1,169	2,310	286	549
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>97,335</u>	<u>141,050</u>	<u>120,005</u>	<u>101,473</u>	<u>104,137</u>	<u>398,165</u>	<u>92,373</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	(4,918)	-	-	-	-	898	-
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR	-	-	-	-	-	(898)	-
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR	<u>\$ (4,918)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 3
 (CONTINUED)

	<u>Early Childhood Ages 0-3</u>	<u>Early Childhood Ages 3-5</u>	<u>Early Childhood Pre-K</u>	<u>McKinney Education for Homeless Children</u>	<u>Early Childhood Teacher Preparation</u>	<u>Beginning Teacher Mentoring</u>	<u>DCEO</u>
REVENUES:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	54,403	1,139,526	612,000	-	99,782	354,911	-
Federal sources	-	-	-	31,821	-	-	-
Total revenues	<u>54,403</u>	<u>1,139,526</u>	<u>612,000</u>	<u>31,821</u>	<u>99,782</u>	<u>354,911</u>	<u>-</u>
EXPENDITURES:							
Current:							
Education:							
Salaries	38,609	428,342	238,629	7,114	41,778	69,695	-
Benefits	5,346	25,601	14,405	904	6,641	1,595	-
Purchased services	7,120	655,681	347,763	8,726	42,616	273,704	-
Supplies and materials	2,261	20,322	5,436	15,077	8,747	9,917	-
Capital outlay	1,067	6,583	2,649	-	-	-	-
Total expenditures	<u>54,403</u>	<u>1,136,529</u>	<u>608,882</u>	<u>31,821</u>	<u>99,782</u>	<u>354,911</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	-	2,997	3,118	-	-	-	-
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR	-	(2,997)	(3,118)	-	-	-	11,188
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,188</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 3
 (CONTINUED)

	Early Childhood Prevention Initiative	Early Childhood Pre-School for All	RESPRO	Tyson Settlement Program	LAN Grant	Gifted Education	Total
REVENUES:							
Local sources	\$ -	\$ -	\$ 272,222	\$ 190	\$ -	\$ -	\$ 272,412
State sources	237,510	452,958	-	-	-	-	3,505,777
Federal sources	-	-	-	-	-	-	527,652
Total revenues	<u>237,510</u>	<u>452,958</u>	<u>272,222</u>	<u>190</u>	<u>-</u>	<u>-</u>	<u>4,305,841</u>
EXPENDITURES:							
Current:							
Education:							
Salaries	150,214	187,632	117,831	52	-	3,399	1,536,565
Benefits	24,264	15,611	13,747	9	-	-	143,402
Purchased services	53,606	233,832	178,384	19,027	6,493	-	2,579,955
Supplies and materials	9,041	11,483	546	15,521	-	-	111,337
Capital outlay	385	4,400	-	-	-	-	15,084
Total expenditures	<u>237,510</u>	<u>452,958</u>	<u>310,508</u>	<u>34,609</u>	<u>6,493</u>	<u>3,399</u>	<u>4,386,343</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	-	-	(38,286)	(34,419)	(6,493)	(3,399)	(80,502)
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR	-	-	83,227	46,456	6,493	-	140,351
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,941</u>	<u>\$ 12,037</u>	<u>\$ -</u>	<u>\$ (3,399)</u>	<u>\$ 59,849</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 4

	Mathematics and Science Partnership				Title IV - 21st Century Intermediate Academy			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	92,417	92,417	147,000	147,000	141,050	(5,950)
Total revenues	-	-	92,417	92,417	147,000	147,000	141,050	(5,950)
EXPENDITURES:								
Current:								
Education:								
Salaries	-	-	17,129	(17,129)	13,345	13,345	15,536	(2,191)
Benefits	-	-	2,276	(2,276)	2,615	2,615	700	1,915
Purchased services	-	-	72,615	(72,615)	129,721	129,721	122,752	6,969
Supplies and materials	-	-	5,315	(5,315)	1,319	1,319	2,062	(743)
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	-	97,335	(97,335)	147,000	147,000	141,050	5,950
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	(4,918)	\$ (4,918)	\$ -	\$ -	-	\$ -
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			-				-	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			\$ (4,918)				\$ -	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 4
 (CONTINUED)

	Title IV - 21st Century - Edison				Title IV - 21st Century John Deere Middle School			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	122,100	122,100	120,005	(2,095)	125,000	125,000	101,473	(23,527)
Total revenues	<u>122,100</u>	<u>122,100</u>	<u>120,005</u>	<u>(2,095)</u>	<u>125,000</u>	<u>125,000</u>	<u>101,473</u>	<u>(23,527)</u>
EXPENDITURES:								
Current:								
Education:								
Salaries	13,345	13,345	13,950	(605)	15,122	15,122	16,553	(1,431)
Benefits	2,615	2,615	452	2,163	2,842	2,842	2,932	(90)
Purchased services	104,840	104,840	104,308	532	106,036	106,036	80,819	25,217
Supplies and materials	1,300	1,300	1,295	5	1,000	1,000	1,169	(169)
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>122,100</u>	<u>122,100</u>	<u>120,005</u>	<u>2,095</u>	<u>125,000</u>	<u>125,000</u>	<u>101,473</u>	<u>23,527</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			-				-	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			<u>\$ -</u>				<u>\$ -</u>	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 4
 (CONTINUED)

REVENUES:	Technology Program				Regional Safe Schools Program *			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
State sources	\$ 94,137	\$ 104,137	\$ 104,137	\$ -	\$ 219,876	\$ 219,876	\$ 358,177	\$ 138,301
Federal sources	-	-	-	-	-	-	40,886	40,886
Total revenues	94,137	104,137	104,137	-	219,876	219,876	399,063	179,187
EXPENDITURES:								
Current:								
Education:								
Salaries	59,844	59,844	61,383	(1,539)	48,614	48,614	51,733	(3,119)
Benefits	10,095	10,095	9,794	301	7,839	7,839	7,620	219
Purchased services	22,858	32,858	30,650	2,208	162,891	162,891	338,526	(175,635)
Supplies and materials	1,340	1,340	2,310	(970)	532	532	286	246
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	94,137	104,137	104,137	-	219,876	219,876	398,165	(178,289)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	-	\$ -	\$ -	\$ -	898	\$ 898
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			-					(898)
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			\$ -					\$ -

* Contains General State Aid Money not budgeted.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 4
 (CONTINUED)

	Truants' Alt. and Optional Education				Early Childhood Ages 0-3			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ 92,373	\$ 92,373	\$ 92,373	\$ -	\$ 53,336	\$ 54,403	\$ 54,403	\$ -
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>92,373</u>	<u>92,373</u>	<u>92,373</u>	<u>-</u>	<u>53,336</u>	<u>54,403</u>	<u>54,403</u>	<u>-</u>
EXPENDITURES:								
Current:								
Education:								
Salaries	76,427	76,427	76,986	(559)	36,892	36,892	38,609	(1,717)
Benefits	13,009	13,009	11,505	1,504	5,577	5,577	5,346	231
Purchased services	2,367	2,367	3,333	(966)	6,410	6,410	7,120	(710)
Supplies and materials	570	570	549	21	4,457	4,457	2,261	2,196
Capital outlay	-	-	-	-	-	1,067	1,067	-
Total expenditures	<u>92,373</u>	<u>92,373</u>	<u>92,373</u>	<u>-</u>	<u>53,336</u>	<u>54,403</u>	<u>54,403</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			<u>-</u>				<u>-</u>	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			<u>\$ -</u>				<u>\$ -</u>	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 4
 (CONTINUED)

REVENUES:	Early Childhood Ages 3-5				Early Childhood Pre-K			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
State sources	\$ 1,117,182	\$ 1,139,526	\$ 1,139,526	\$ -	\$ 600,000	\$ 612,000	\$ 612,000	\$ -
Federal sources	-	-	-	-	-	-	-	-
Total revenues	1,117,182	1,139,526	1,139,526	-	600,000	612,000	612,000	-
EXPENDITURES:								
Current:								
Education:								
Salaries	430,152	421,556	428,342	(6,786)	235,556	235,426	238,629	(3,203)
Benefits	32,828	28,021	25,601	2,420	15,140	15,144	14,405	739
Purchased services	626,304	657,812	655,681	2,131	344,169	351,519	347,763	3,756
Supplies and materials	24,259	24,259	20,322	3,937	5,135	7,111	5,436	1,675
Capital outlay	3,639	7,878	6,583	1,295	-	2,800	2,649	151
Total expenditures	1,117,182	1,139,526	1,136,529	2,997	600,000	612,000	608,882	3,118
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	2,997	\$ 2,997	\$ -	\$ -	3,118	\$ 3,118
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			(2,997)			(3,118)		
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			\$ -			\$ -		

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 4
 (CONTINUED)

	McKinney Education for Homeless Children				Early Childhood Teacher Preparation			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ 92,783	\$ 99,587	\$ 99,782	\$ 195
Federal sources	30,332	30,332	31,821	1,489	-	-	-	-
Total revenues	30,332	30,332	31,821	1,489	92,783	99,587	99,782	195
EXPENDITURES:								
Current:								
Education:								
Salaries	6,000	6,000	7,114	(1,114)	40,932	40,932	41,778	(846)
Benefits	1,014	1,014	904	110	6,889	6,889	6,641	248
Purchased services	10,469	10,469	8,726	1,743	38,862	44,466	42,616	1,850
Supplies and materials	12,849	12,849	15,077	(2,228)	6,100	7,300	8,747	(1,447)
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	30,332	30,332	31,821	(1,489)	92,783	99,587	99,782	(195)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			-				-	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			\$ -				\$ -	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 4
 (CONTINUED)

	Beginning Teacher Mentoring				Early Childhood Prevention Initiative			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
State sources	\$ 344,468	\$ 344,468	\$ 354,911	\$ 10,443	\$ 200,000	\$ 200,000	\$ 237,510	\$ 37,510
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>344,468</u>	<u>344,468</u>	<u>354,911</u>	<u>10,443</u>	<u>200,000</u>	<u>200,000</u>	<u>237,510</u>	<u>37,510</u>
EXPENDITURES:								
Current:								
Education:								
Salaries	39,212	71,916	69,695	2,221	131,276	120,197	150,214	(30,017)
Benefits	1,071	3,451	1,595	1,866	22,171	19,126	24,264	(5,138)
Purchased services	290,810	255,716	273,704	(17,988)	39,270	53,394	53,606	(212)
Supplies and materials	13,375	13,375	9,917	3,458	7,283	7,283	9,041	(1,758)
Capital outlay	-	-	-	-	-	-	385	(385)
Total expenditures	<u>344,468</u>	<u>344,468</u>	<u>354,911</u>	<u>(10,443)</u>	<u>200,000</u>	<u>200,000</u>	<u>237,510</u>	<u>(37,510)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			<u>-</u>				<u>-</u>	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			<u>\$ -</u>				<u>\$ -</u>	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2009

SCHEDULE 4
 (CONTINUED)

	Early Childhood Pre-School for All				Total			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:								
State sources	\$ 360,000	\$ 360,000	\$ 452,958	\$ 92,958	\$ 3,174,155	\$ 3,226,370	\$ 3,505,777	\$ 279,407
Federal sources	-	-	-	-	424,432	424,432	527,652	103,220
Total revenues	360,000	360,000	452,958	92,958	3,598,587	3,650,802	4,033,429	382,627
EXPENDITURES:								
Current:								
Education:								
Salaries	160,193	150,370	187,632	(37,262)	1,306,910	1,309,986	1,415,283	(105,297)
Benefits	14,646	13,454	15,611	(2,157)	138,351	131,701	129,646	2,055
Purchased services	180,278	191,293	233,832	(42,539)	2,065,285	2,109,792	2,376,051	(266,259)
Supplies and materials	4,883	4,883	11,483	(6,600)	84,402	87,578	95,270	(7,692)
Capital outlay	-	-	4,400	(4,400)	3,639	11,745	15,084	(3,339)
Total expenditures	360,000	360,000	452,958	(92,958)	3,598,587	3,650,802	4,031,334	(380,532)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	-	\$ -	\$ -	\$ -	2,095	\$ 2,095
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			-				(7,013)	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			\$ -				\$ (4,918)	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2009

SCHEDULE 5

	<u>General Educational Development</u>	<u>School Bus Driver Training</u>	<u>Super- visory Expense</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 18,598	\$ 1,251	\$ 1,064	\$ 20,913
Due from other governments	818	116	-	934
TOTAL ASSETS	\$ 19,416	\$ 1,367	\$ 1,064	\$ 21,847
LIABILITIES AND FUND BALANCES				
LIABILITIES				
None	\$ -	\$ -	\$ -	\$ -
FUND BALANCES, UNRESERVED	19,416	1,367	1,064	21,847
TOTAL LIABILITIES AND FUND BALANCES, UNRESERVED	\$ 19,416	\$ 1,367	\$ 1,064	\$ 21,847

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2009

SCHEDULE 6

	<u>General Educational Development</u>	<u>School Bus Driver Training</u>	<u>Super- visory Expense</u>	<u>Total</u>
REVENUES:				
Local sources	\$ 14,887	\$ 1,254	\$ 2	\$ 16,143
State sources	-	882	1,000	1,882
Total revenues	<u>14,887</u>	<u>2,136</u>	<u>1,002</u>	<u>18,025</u>
 EXPENDITURES:				
Current:				
Education:				
Purchased services	9,560	1,765	321	11,646
Supplies and materials	532	-	-	532
Other objects	-	-	215	215
Total expenditures	<u>10,092</u>	<u>1,765</u>	<u>536</u>	<u>12,393</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 4,795	 371	 466	 5,632
 FUND BALANCE, UNRESERVED, BEGINNING OF YEAR	 <u>14,621</u>	 <u>996</u>	 <u>598</u>	 <u>16,215</u>
 FUND BALANCE, UNRESERVED, END OF YEAR	 <u>\$ 19,416</u>	 <u>\$ 1,367</u>	 <u>\$ 1,064</u>	 <u>\$ 21,847</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 June 30, 2009

	<u>Distributive</u>	<u>Cafeteria Plan</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 471,037	\$ 12,840	\$ 483,877
LIABILITIES			
Due to others	\$ -	\$ 12,840	\$ 12,840
Due to other governments and agencies	471,037	-	471,037
TOTAL LIABILITIES	<u>\$ 471,037</u>	<u>\$ 12,840</u>	<u>\$ 483,877</u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING STATEMENT OF CHANGES IN ASSETS
 AND LIABILITIES - AGENCY FUNDS
 Year Ended June 30, 2009**

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
DISTRIBUTIVE				
ASSETS				
Cash and cash equivalents	\$ 32,534	\$ 3,392,464	\$ 2,953,961	\$ 471,037
LIABILITIES				
Due to other governments and agencies	\$ 32,534	\$ 3,392,464	\$ 2,953,961	\$ 471,037
 CAFETERIA PLAN				
ASSETS				
Cash and cash equivalents	\$ 9,353	\$ 49,871	\$ 46,384	\$ 12,840
LIABILITIES				
Due to others	\$ 9,353	\$ 49,871	\$ 46,384	\$ 12,840
 TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 41,887	\$ 3,442,335	\$ 3,000,345	\$ 483,877
LIABILITIES				
Due to others	\$ 9,353	\$ 49,871	\$ 46,384	\$ 12,840
Due to other governments and agencies	32,534	3,392,464	2,953,961	471,037
TOTAL LIABILITIES	<u>\$ 41,887</u>	<u>\$ 3,442,335</u>	<u>\$ 3,000,345</u>	<u>\$ 483,877</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
Year Ended June 30, 2009

	<u>Regional Office of Education</u>
General State Aid	\$ 138,301
Bus Training	802
Truants Alternative	65,866
Regional Safe Schools	120,000
Early Childhood Block Grant	1,558,246
ROE Operations	100,000
Supervisory Expense	1,000
Learning Technology Center	66,602
Teacher Mentoring Pilot Program	109,334
21st Century Programs	394,747
Mathematics and Science Partnerships	358,177
State Fiscal Stabilization Fund - Education State Grants - Recovery Act	<u>40,886</u>
	<u>\$ 2,953,961</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2009

Federal Grantor/Pass- Through Grantor, Program Title & Major Program Designation	CFDA Number	Project Number (1st 8 digits) or Contract #	Expenditures 7/1/08- 6/30/2009
U.S. Dept. of Education passed through Illinois State Board of Education:			
(M) Title IV - 21st Century (Intermediate Academy)	84.287	09-4421-08	\$ 141,050
(M) Title IV - 21st Century (Edison)	84.287	09-4421-05	120,005
(M) Title IV - 21st Century (John Deere Middle School)	84.287	09-4421-09	<u>101,473</u>
			<u>362,528</u>
State Fiscal Stabilization Fund - Education State Grants - Recovery Act	84.394A	09-4850-93	40,886
Mathematics and Science Partnership	84.366	08-4936-00	<u>92,417</u>
Total passed through Illinois State Board of Education			<u>495,831</u>
U.S. Dept. of Education passed through Lee/Ogle ROE No. 47:			
Stewart B. McKinney Education for Homeless Children and Youth Program	84.196A	09-4920-00	<u>31,821</u>
			<u>\$ 527,652</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			
(M) Program was audited as a major program			

The accompanying notes are an integral part of this schedule.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Rock Island County Regional Office of Education No. 49 and is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2 - SUBRECIPIENTS

N/A

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAMS

Title IV - 21st Century - Intermediate Academy - to account for grant monies received for, and payment of, the 21st Century program for the Intermediate Academy.

Title IV - 21st Century - Edison - to account for grant monies received for, and payment of, the 21st Century program at Edison Junior High School.

Title IV - 21st Century - John Deere Middle School - to account for grant monies received for, and payment of, the 21st Century program at John Deere Middle School.

NOTE 4 - NON-CASH ASSISTANCE

N/A

NOTE 5 - AMOUNT OF INSURANCE

N/A

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

N/A

This information is an integral part of the accompanying schedule.