

**State of Illinois  
BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
FINANCIAL AUDIT  
(In Accordance with the Single Audit Act  
and OMB Circular A-133)  
For the Year Ended June 30, 2013**

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

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
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**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28**

**OFFICIALS**

Regional Superintendent  
(Current and during the audit period)

Ms. Angela Zarvell

Assistant Regional Superintendent  
(Current and during the audit period)

Mr. Brad Hulick

Office is located at:

107 South State Street  
Atkinson, Illinois 61235

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28**

**COMPLIANCE REPORT SUMMARY**

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

**AUDITORS' REPORTS**

The auditors' reports on compliance and internal control 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	4	1
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	0	4

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)**

2013-001	13	Controls Over Financial Statement Preparation	Material Weakness
2013-002	15	Inadequate Accounting Software and Segregation of Assets, Liabilities and Fund Balances	Material Weakness
2013-003	17	Inadequate Controls Over Capital Assets	Material Weakness
2013-004	19	Inadequate Segregation of Duties Over Cash Receipts	Significant Deficiency

**FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)**

None

**PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)**

None

**PRIOR AUDIT FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)**

None

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28**

**COMPLIANCE REPORT SUMMARY (CONTINUED)**

**EXIT CONFERENCE**

An exit conference was held with Agency personnel on July 2, 2014. Attending were Angela Zarvell, Regional Superintendent, Sarah Nodine, Bookkeeper, Kristyl McDaniel, Auditor, Winkel, Parker & Foster, CPA. Responses to the recommendations were provided by Angela Zarvell, Regional Superintendent on May 28, 2014.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Bureau/Henry/Stark Counties Regional Office of Education No. 28 was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed an unmodified opinion on the Bureau/Henry/Stark Counties Regional Office of Education No. 28's basic financial statements.

## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

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

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bureau/Henry/Stark Counties Regional Office of Education No. 28, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Bureau/Henry/Stark Counties Regional Office of Education No. 28's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bureau/Henry/Stark Counties Regional Office of Education No. 28, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Funding Progress - Illinois Municipal Retirement Fund on pages 27 through 36 and 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bureau/Henry/Stark Counties Regional Office of Education No. 28's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2014 on our consideration of Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control over financial reporting and compliance.

**Winkel, Parker & Foster, CPA PC**

Clinton, Iowa  
July 2, 2014

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bureau/Henry/Stark Counties Regional Office of Education No. 28, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Bureau/Henry/Stark Counties Regional Office of Education No. 28's basic financial statements, and have issued our report thereon dated July 2, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control. Accordingly, we do not express an opinion on the effectiveness of Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002 and 2013-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2013-004 to be a significant deficiency.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bureau/Henry/Stark Counties Regional Office of Education No. 28's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Regional Office of Education No. 28's Responses to Findings

Bureau/Henry/Stark Counties Regional Office of Education No. 28's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Bureau/Henry/Stark Counties Regional Office of Education No. 28's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Winkel, Parker & Foster, CPA PC**

Clinton, Iowa  
July 2, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Honorable William G. Holland  
Auditor General  
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited Bureau/Henry/Stark Counties Regional Office of Education No. 28's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Regional Office of Education No. 28's major federal programs for the year ended June 30, 2013. Bureau/Henry/Stark Counties Regional Office of Education No. 28's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Bureau/Henry/Stark Counties Regional Office of Education No. 28's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Bureau/Henry/Stark Counties Regional Office of Education No. 28'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Bureau/Henry/Stark Counties Regional Office of Education No. 28's compliance.

## Opinion on Each Major Federal Program

In our opinion, Bureau/Henry/Stark Counties Regional Office of Education No. 28 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

Management of Bureau/Henry/Stark Counties Regional Office of Education No. 28 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Bureau/Henry/Stark Counties Regional Office of Education No. 28's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Winkel, Parker & Foster, CPA PC**

Clinton, Iowa  
July 2, 2014

**BUREAU/HENRY/STARK COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 28  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 SECTION I - SUMMARY OF AUDITORS' RESULTS  
 Year Ended June 30, 2013**

**Financial Statements**

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

Internal control over financial reporting:

- Material weakness(es) identified?                      x   yes               no
- Significant deficiency(ies) identified?              x   yes               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 deficiency(ies) identified?                   yes          x   none reported

Type of auditors' report issued on compliance for major programs:  
 \_\_\_\_\_ Unmodified \_\_\_\_\_

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.287C</u>	<u>Twenty-First Century Community Learning Centers</u>
_____	_____
_____	_____
_____	_____

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

Auditee qualified as low-risk auditee?                           yes      x   no

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
Year Ended June 30, 2013**

**FINDING 2013-001 - Controls Over Financial Statement Preparation (Repeat from 2012 - No. 12-1, 2011 - No. 11-1, 2010 - No. 10-1, 2009 - No. 09-1, 2008 - No. 08-1 and 2007 - No. 07-1)**

**Criteria/Specific Requirement:**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office of Education No. 28's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skill, and experience to prepare and/or thoroughly review GAAP based financial statements to ensure they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

**Condition:**

The Regional Office of Education No. 28 does not have sufficient internal controls over the financial reporting process. While the Regional Office of Education No. 28 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 and correct financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education No. 28's financial information prepared by the Regional Office of Education No. 28, it was noted that the Regional Office of Education No. 28 did not have adequate controls over the maintenance of records of cash and accounts receivable. While the Regional Office of Education No. 28 did maintain records to indicate the balances of cash and accounts receivable, material audit adjustments were proposed in order to ensure financial statement balances were materially accurate.

**Effect:**

The Regional Office of Education No. 28's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
Year Ended June 30, 2013**

**FINDING 2013-001 - Controls Over Financial Statement Preparation (Repeat from 2012 - No. 12-1, 2011 - No. 11-1, 2010 - No. 10-1, 2009 - No. 09-1, 2008 - No. 08-1 and 2007 - No. 07-1) (Continued)**

**Cause:**

Management did not effectively detect all of the material adjustments needed in order to present financial statements in accordance with GAAP.

**Auditors' Recommendation:**

As part of internal control over the preparation of financial statements, including disclosures, the Regional Office of Education No. 28 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education No. 28's activities and operations.

**Management's Response:**

Regional Office of Education #28 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. Regional Office of Education #28 accepts the degree of risk associated with this condition because the added expense of seeking additional expertise to prepare financial statements would take away from the funds available to provide educational services to students and teachers. The cost of hiring and training additional staff or contracting services outweighs the benefit.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
Year Ended June 30, 2013**

**FINDING 2013-002 - Inadequate Accounting Software and Segregation of Assets, Liabilities and Fund Balances**

**Criteria/Specific Requirement:**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 is required by the Illinois State Board of Education to maintain their accounting system in accordance with the Regional Office of Education Accounting Manual. The Manual requires the Regional Office of Education No. 28 to maintain an accounting system on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**Condition:**

The Regional Office of Education No. 28 utilizes an accounting software package which was not designed for governmental entities. The accounting software package does not provide the reporting features required for proper fund accounting. The accounting software package allows for the revenues and expenses of the Regional Office of Education No. 28's programs to be accounted for separately, but combines all assets, liabilities and fund balances.

**Effect:**

With the current accounting software package, management cannot easily obtain entity-wide financial information necessary to make informed management decisions. In addition, financial statements in accordance with generally accepted accounting principles and the Regional Office of Education Accounting Manual cannot be readily prepared from the current accounting system.

**Cause:**

The Regional Office of Education No. 28 uses an accounting software package that does not segregate assets, liabilities and fund balance on an individual fund basis.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
Year Ended June 30, 2013**

**FINDING 2013-002 - Inadequate Accounting Software and Segregation of Assets, Liabilities and Fund Balances (Continued)**

**Auditors' Recommendation:**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 should implement an accounting software package that provides the necessary reporting features required for proper fund accounting. An appropriate accounting software package will support the multiple programs and funds administered by the Regional Office of Education No. 28. The accounting software package should have the capabilities necessary for the Regional Office of Education No. 28 to be in compliance with the Regional Office of Education Accounting Manual and provide the reporting detail necessary to prepare financial statements in accordance with generally accepted accounting principles.

**Management's Response:**

Regional Office of Education #28 attempts to track assets, liabilities, and fund balance on an individual fund basis. However, the Regional Office will be acquiring accounting software that will produce trial balances.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
Year Ended June 30, 2013**

**FINDING 2013-003 - Inadequate Controls Over Capital Assets**

**Criteria/Specific Requirement:**

The Regional Office of Education Accounting Manual requires each Regional Office of Education to maintain detailed capital asset records for both accounting purposes as well as insurance purposes, for capital assets costing \$500 or more. Generally accepted accounting principles require an inventory of all capital assets and depreciation schedules for assets meeting the capitalization threshold for reporting be maintained.

The Regional Office of Education Accounting Manual also states that the capital asset inventory records should include: the inventory control number (tag number); major asset class; function and activity; reference to the acquisition source document; acquisition date; vendor; a short description of the asset; unit charged with custody; location; fund and account from which purchased; method of acquisition; estimated useful life and method of depreciation; estimated salvage value; and date, method, and authorization of disposal.

In addition, sound internal controls require that policies and procedures on capital assets cover acquisition and tagging, recording and reporting, depreciation (if applicable), transfers and dispositions, an annual physical inventory, and that they be formally documented and consistently applied.

**Condition:**

The original capital asset listing provided to auditors was incomplete. The original capital asset listing was missing the purchase date, cost and disposal date of some assets. Additionally, the original capital asset listing did not include depreciation expense, accumulated depreciation or net book value of assets. Upon request of auditors, the Regional Office of Education No. 28 revised their capital asset listing to reflect the missing information; however, corrections and adjustments were subsequently proposed by auditors.

**Effect:**

The absence of a sound system of internal controls over capital assets can result in inaccurate reporting of capital assets and inadequate physical control for equipment items. An incomplete capital asset listing does not provide an adequate basis for physical control and losses may occur without being detected.

**Cause:**

The capital asset listing was not properly maintained.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
Year Ended June 30, 2013**

**FINDING 2013-003 - Inadequate Controls Over Capital Assets (Continued)**

**Auditors' Recommendation:**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 should maintain a capital asset listing that adheres to the requirements of the Regional Office of Education Accounting Manual. The Regional Office of Education No. 28 should review the capital asset listing for accuracy and existence through an annual physical inventory. Additionally, reconciliations should be performed between the capital asset listing and the recorded capital outlay expenditures each year to ensure the accuracy and completeness of the listing.

**Management's Response:**

The Regional Office of Education #28 will properly maintain a capital asset listing.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
Year Ended June 30, 2013**

**FINDING 2013-004 - Inadequate Segregation of Duties Over Cash Receipts**

**Criteria/Specific Requirement:**

Internal controls should be in place to reduce to a relatively low risk the likelihood a material misstatement to the financial statements could occur and not be detected and corrected in a timely period by employees in the normal course of performing their assigned functions. A good system of internal controls includes an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

**Condition:**

The Bookkeeper collects cash receipt remittances along with cash and checks from the locked deposit box, prepares deposits slips, takes deposits to the bank on occasion, records the transactions in the accounting system and jointly performs monthly bank reconciliations.

**Effect:**

As a result of these conditions, there is a higher risk that errors or irregularities could occur and not be detected and corrected within a timely period.

**Cause:**

The Bureau/Henry/Stark Counties Regional Office of Education No. 28 did not internally identify the lack of segregation of duties over cash receipts.

**Auditors' Recommendation:**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 should assign the duties of preparing deposit slips and taking deposits to the bank among other Regional Office of Education No. 28 staff. The Bookkeeper could continue to record deposit transactions in the accounting system, verify that cash receipt remittances agree to the bank deposits and perform the monthly bank reconciliations for review by the Regional Superintendent. Additionally, the Regional Office of Education No. 28 should regularly review controls which could be put in place to mitigate the risk that misstatement could occur and not be detected and corrected.

**Management's Response:**

Monthly bank reconciliations are performed jointly, and the Regional Superintendent signs all reconciliations. Regional Office of Education No. 28 will regularly review controls which could be put in place to mitigate the risk that misstatement could occur and not be detected and corrected.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION III - FEDERAL AWARD FINDINGS  
Year Ended June 30, 2013**

**Instances of Noncompliance:**

**None**

**Material Weaknesses:**

**None**

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2013**

**FINDING 2013-001 - Controls Over Financial Statement Preparation (Repeat from 2012 - No. 12-1, 2011 - No. 11-1, 2010 - No. 10-1, 2009 - No. 09-1, 2008 - No. 08-1 and 2007 - No. 07-1)**

**Condition:**

The Regional Office of Education No. 28 does not have sufficient internal controls over the financial reporting process. While the Regional Office of Education No. 28 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 and correct financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education No. 28's financial information prepared by the Regional Office of Education No. 28, it was noted that the Regional Office of Education No. 28 did not have adequate controls over the maintenance of records of cash and accounts receivable. While the Regional Office of Education No. 28 did maintain records to indicate the balances of cash and accounts receivable, material audit adjustments were proposed in order to ensure financial statement balances were materially accurate.

**Plan:**

Regional Office of Education #28 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. Regional Office of Education #28 accepts the degree of risk associated with this condition because the added expense of seeking additional expertise to prepare financial statements would take away from the funds available to provide educational services to students and teachers. The cost of hiring and training additional staff or contracting services outweighs the benefit.

**Anticipated Completion Date:**

Ongoing

**Contact Person Responsible for Corrective Action:**

Ms. Angela Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2013**

**FINDING 2013-002 - Inadequate Accounting Software and Segregation of Assets, Liabilities and Fund Balances**

**Condition:**

The Regional Office of Education No. 28 utilizes an accounting software package which was not designed for governmental entities. The accounting software package does not provide the reporting features required for proper fund accounting. The accounting software package allows for the revenues and expenses of the Regional Office of Education No. 28's programs to be accounted for separately, but combines all assets, liabilities and fund balances.

**Plan:**

Regional Office of Education #28 attempts to track assets, liabilities, and fund balance on an individual fund basis. However, the Regional Office will be acquiring accounting software that will produce trial balances.

**Anticipated Completion Date:**

June 2014

**Contact Person Responsible for Corrective Action:**

Ms. Angela Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2013**

**FINDING 2013-003 - Inadequate Controls Over Capital Assets**

**Condition:**

The original capital asset listing provided to auditors was incomplete. The original capital asset listing was missing the purchase date, cost and disposal date of some assets. Additionally, the original capital asset listing did not include depreciation expense, accumulated depreciation or net book value of assets. Upon request of auditors, the Regional Office of Education No. 28 revised their capital asset listing to reflect the missing information; however, corrections and adjustments were subsequently proposed by auditors.

**Plan:**

The Regional Office of Education #28 will properly maintain a capital asset listing.

**Anticipated Completion Date:**

Spring 2014

**Contact Person Responsible for Corrective Action:**

Ms. Angela Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2013**

**FINDING 2013-004 - Inadequate Segregation of Duties Over Cash Receipts**

**Condition:**

The Bookkeeper collects cash receipt remittances along with cash and checks from the locked deposit box, prepares deposits slips, takes deposits to the bank on occasion, records the transactions in the accounting system and jointly performs monthly bank reconciliations.

**Plan:**

Monthly bank reconciliations are performed jointly, and the Regional Superintendent signs all reconciliations. Regional Office of Education No. 28 will regularly review controls which could be put in place to mitigate the risk that misstatement could occur and not be detected and corrected.

**Anticipated Completion Date:**

Ongoing

**Contact Person Responsible for Corrective Action:**

Ms. Angela Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2013**

<b><u>Finding No.</u></b>	<b><u>Condition</u></b>	<b><u>Current Status</u></b>
12-1	Controls Over Financial Statement Preparation	Repeated

## **Management's Discussion and Analysis**

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

The Regional Office of Education No. 28 for the Counties of Bureau, Henry and Stark provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2013. Readers are encouraged to consider this information in conjunction with the Regional Office of Education No. 28's financial statements which follow:

**2013 Financial Highlights**

General Fund revenues increased from \$729,706 in fiscal year 2012 to \$894,624 in fiscal year 2013. General Fund expenditures also increased from \$707,869 in fiscal year 2012 to \$809,297 in fiscal year 2013. The increases were mostly attributable to grant and workshop revenue.

Education Fund revenues increased from \$1,709,238 in fiscal year 2012 to \$2,021,839 in fiscal year 2013. Education Fund expenditures also increased from \$1,667,271 in fiscal year 2012 to \$2,022,953 in fiscal year 2013. The increases were mostly attributable to grant revenue.

Government-wide revenues increased by approximately 22% from \$2,423,496 in fiscal year 2012 to \$2,953,991 in fiscal year 2013. Government-wide expenses increased by approximately 19% from \$2,396,543 in fiscal year 2012 to \$2,863,062 in fiscal year 2013.

**USING THIS ANNUAL REPORT**

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education No. 28's financial activities.

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the Regional Office of Education No. 28 as a whole and present an overall view of the Regional Office of Education No. 28's finances.

The fund financial statements report the Regional Office of Education No. 28's operations in more detail than the government-wide statements by providing information that is needed for a full understanding of the data provided in the basic financial statements.

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

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

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

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

**REPORTING BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28'S FINANCIAL ACTIVITIES**

***Government-wide Financial Statements***

The government-wide financial statements report information about Bureau/Henry/Stark Counties Regional Office of Education No. 28 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of Bureau/Henry/Stark Counties Regional Office of Education No. 28's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current years' revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid using generally accepted accounting principles and GASB 34.

The two government-wide financial statements report the Regional Office of Education No. 28's net position and how it has changed. Net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - are one way to measure the Regional Office of Education No. 28's financial health or financial position. Over time, increases or decreases in net position can be an indicator of whether financial position is improving or deteriorating. To assess the Regional Office of Education No. 28's overall condition, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

***Fund Financial Statements***

The fund financial statements provide more detailed information about Bureau/Henry/Stark Counties Regional Office of Education No. 28's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education No. 28 has established other funds to control and manage money for particular purposes.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 has two kinds of funds:

1) *Governmental funds*: Account for those funds through which most governmental functions of the Regional Office of Education No. 28 are financed. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at the 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 resources that can be spent in the near future to finance the Regional Office of Education No. 28's programs. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance.

2) *Fiduciary funds*: Account for assets held by the Regional Office of Education No. 28 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statement includes a Statement of Fiduciary Net Position.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve when examined over time as one indicator of the financial position of the Regional Office of Education No. 28. The net position at the end of fiscal year 2013 and 2012 totaled \$1,371,061 and \$1,383,739, respectively. The analysis that follows provides a summary of the Regional Office of Education No. 28's net position as of June 30.

**2013**

	<b><u>Governmental Activities</u></b>
Current assets	\$ 1,617,362
Capital assets, being depreciated, net	<u>38,117</u>
Total assets	<u>1,655,479</u>
 Deferred outflows of resources	 <u>-</u>
Current liabilities	247,919
Non-current liabilities	<u>36,499</u>
Total liabilities	<u>284,418</u>
 Deferred inflows of resources	 <u>-</u>
Net position	
Net investment in capital assets	38,117
Unrestricted	1,186,113
Restricted for educational purposes	<u>146,831</u>
 <b>Total net position</b>	 <b><u>\$ 1,371,061</u></b>

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

<b><u>2012</u></b>	<b><u>Governmental Activities</u></b>
Current assets	\$ 1,932,662
Capital assets, being depreciated, net	<u>141,068</u>
Total assets	<u>2,073,730</u>
 Deferred outflows of resources	 <u>-</u>
 Current liabilities	 668,043
Non-current liabilities	<u>21,948</u>
Total liabilities	<u>689,991</u>
 Deferred inflows of resources	 <u>-</u>
 Net position	
Net investments in capital assets	141,068
Unrestricted	1,115,337
Restricted for educational purposes	<u>127,334</u>
 <b>Total net position</b>	 <b><u>\$ 1,383,739</u></b>

The Regional Office of Education No. 28's net position increased by \$90,929 (7%) from fiscal year 2012 as restated. The increase was primarily due to workshop and services revenue.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

**Changes in net position.** The following shows the changes in net position for the years ended June 30, 2013 and 2012.

**2013**

	<b><u>Governmental Activities</u></b>
<b>Revenues:</b>	
Program revenues	
Charges for services	\$ 36,572
Operating grants and contributions	2,023,814
General revenues	
Local sources	197,121
State sources	204,335
On-behalf payments	<u>492,149</u>
Total revenues	<u>2,953,991</u>
<b>Expenses:</b>	
Education	
Salaries and benefits	907,260
Purchased services	283,298
Supplies and materials	227,220
Payments to other governments	906,815
Other objects	21,248
Capital outlay	8,011
Depreciation	17,061
Administrative	
On-behalf payments	<u>492,149</u>
Total expenses	<u>2,863,062</u>
<b>Change in net position</b>	90,929
<b>Net position, beginning as restated (see Note 13)</b>	<u>1,280,132</u>
<b>Net position, ending</b>	<u>\$ 1,371,061</u>

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

<b><u>2012</u></b>	<b><u>Governmental Activities</u></b>
<b>Revenues:</b>	
Program revenues	
Operating grants and contributions	\$ 1,623,143
General revenues	
Local sources	216,281
State sources	297,611
Interest income	7,558
On-behalf payments	<u>278,903</u>
Total revenues	<u>2,423,496</u>
<b>Expenses:</b>	
Education	
Salaries	527,644
Employee benefits	168,510
Purchased services	319,315
Supplies and materials	182,508
Payments to other governments	896,017
Depreciation	23,646
Administrative	
On-behalf payments	<u>278,903</u>
Total expenses	<u>2,396,543</u>
<b>Change in net position</b>	26,953
<b>Net position, beginning</b>	<u>1,356,786</u>
<b>Net position, ending</b>	<u>\$ 1,383,739</u>

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

**Governmental Activities**

Revenues for governmental activities were \$2,953,991 and \$2,423,496 and expenses were \$2,863,062 and \$2,396,543 for 2013 and 2012, respectively. The increase in program revenues and expenses were mainly due to grant, workshop, and service revenue.

**INDIVIDUAL FUND ANALYSIS**

As previously noted, Bureau/Henry/Stark Counties Regional Office of Education No. 28 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office of Education No. 28's governmental funds reported combined fund balances of \$1,369,443, above last year's ending combined fund balances of \$1,264,619.

**Governmental Fund Highlights**

The General Fund fund balance increased from \$1,137,285 in 2012 to \$1,222,612 in 2013. The increase was mostly attributable to workshop and service revenues.

The Education Fund fund balance slightly decreased from \$59,783 in 2012 to \$58,669 in 2013. The decrease was mostly attributable to grant activity.

**Fiduciary Fund Highlights**

Fiduciary funds decreased when compared to the prior year. Total assets and liabilities decreased from \$306,887 in fiscal year 2012 to \$65,403 in fiscal year 2013. Transactions during fiscal year 2013 represent mainly transfers in and out of funds for the distributive fund.

**BUDGETARY HIGHLIGHTS**

The Bureau/Henry/Stark Counties Regional Office of Education No. 28 annually prepares budgets for several funds which serve as a guideline for activities and expenditures. All grant budgets are prepared by the Regional Office of Education No. 28 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Additionally, the Regional Office of Education No. 28's funds are reported and included in our annual report.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

**CAPITAL ASSETS**

The Regional Office of Education No. 28's capital assets include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office of Education No. 28 maintains an inventory of capital assets which have been accumulated over time. The opening capital asset balance for fiscal year 2013 was restated, presenting a balance of \$37,461 as net investment in capital assets. For fiscal year 2013, total additions amounted to \$17,717. Depreciation expense for fiscal year 2013 was \$17,061. The net investment in capital assets as of June 30, 2013 was \$38,117.

Additional information on Bureau/Henry/Stark Counties Regional Office of Education No. 28's capital assets, including the restatement relating to capital assets, can be found in Notes 3 and 13 on pages 56 and 62 of this report.

**ECONOMIC FACTORS BEARING ON BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28'S FUTURE**

- the uncertainty and timing of state funding
- the ability to acquire grant funding
- the revenue/expenses associated with workshops and services

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

**CONTACTING BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION  
NO. 28'S FINANCIAL MANAGEMENT**

This financial report is designed to provide Bureau/Henry/Stark Counties Regional Office of Education No. 28's citizens, taxpayers, customers, and creditors with a general overview of Bureau/Henry/Stark Counties Regional Office of Education No. 28's finances and to demonstrate Bureau/Henry/Stark Counties Regional Office of Education No. 28's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Regional Superintendent of the Bureau/Henry/Stark Counties Regional Office of Education No. 28 at 107 South State Street, Atkinson, IL 61235. For a more detailed analysis and explanation of operations and programs, the complete fiscal year 2013 Annual Report is posted on the Bureau/Henry/Stark Counties Regional Office of Education No. 28's website at <http://www.bhsroe.org>.

## **BASIC FINANCIAL STATEMENTS**

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**STATEMENT OF NET POSITION**  
**June 30, 2013**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 870,802
Due from other governments	746,560
Total current assets	1,617,362
Non-current assets:	
Capital assets, being depreciated, net	38,117
Total assets	1,655,479
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
None	-
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued expenses	67,396
Due to other governments	176,958
Unearned revenue	3,565
Total current liabilities	247,919
Non-current liabilities:	
Compensated absences	34,899
Other postemployment benefits (OPEB)	1,600
Total non-current liabilities	36,499
Total liabilities	284,418
<b>DEFERRED INFLOWS OF RESOURCES</b>	
None	-
<b>NET POSITION</b>	
Net investment in capital assets	38,117
Unrestricted	1,186,113
Restricted for educational purposes	146,831
<b>Total net position</b>	<b>\$ 1,371,061</b>

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

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2013**

<b>FUNCTIONS/PROGRAMS</b>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Primary Government</u>
		<u>Services</u>	<u>Grants and</u>	<u>Governmental</u>
			<u>Contributions</u>	<u>Activities</u>
Primary government:				
Governmental activities:				
Education:				
Salaries and benefits	\$ 907,260	\$ 10,239	\$ 879,916	\$ (17,105)
Purchased services	283,298	25,967	222,507	(34,824)
Supplies and materials	227,220	366	212,393	(14,461)
Payments to other governments	906,815	-	657,408	(249,407)
Other objects	21,248	-	21,248	-
Capital outlay	8,011	-	30,342	22,331
Depreciation	17,061	-	-	(17,061)
Administrative:				
On-behalf payments	492,149	-	-	(492,149)
Total governmental activities	<u>\$ 2,863,062</u>	<u>\$ 36,572</u>	<u>\$ 2,023,814</u>	<u>(802,676)</u>
General revenues:				
Local sources				197,121
State sources				204,335
On-behalf payments				492,149
Total general revenue				<u>893,605</u>
<b>CHANGE IN NET POSITION</b>				90,929
<b>NET POSITION, BEGINNING OF YEAR</b>				<u>1,280,132</u>
<b>AS RESTATED (See Note 13)</b>				
<b>NET POSITION, END OF YEAR</b>				<u>\$ 1,371,061</u>

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

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013**

	<b>Special Revenue</b>			<b>Total</b>
	<b>General</b>	<b>Education</b>	<b>Other</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Fund</b>	<b>Nonmajor</b>	<b>Funds</b>
	<b>Fund</b>	<b>Fund</b>	<b>Funds</b>	<b>Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 709,440	\$ 72,875	\$ 88,487	\$ 870,802
Due from other governments	26,885	719,675	-	746,560
Due from other funds	508,287	-	-	508,287
Total assets	1,244,612	792,550	88,487	2,125,649
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
None	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,244,612</b>	<b>\$ 792,550</b>	<b>\$ 88,487</b>	<b>\$ 2,125,649</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 1,999	\$ 65,072	\$ 325	\$ 67,396
Due to other governments	19,826	157,132	-	176,958
Due to other funds	175	508,112	-	508,287
Unearned revenue	-	3,565	-	3,565
Total liabilities	22,000	733,881	325	756,206
<b>DEFERRED INFLOWS OF RESOURCES</b>				
None	-	-	-	-
<b>FUND BALANCE</b>				
Restricted	-	59,049	88,162	147,211
Assigned	325,414	-	-	325,414
Unassigned	897,198	(380)	-	896,818
Total fund balance	1,222,612	58,669	88,162	1,369,443
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 1,244,612</b>	<b>\$ 792,550</b>	<b>\$ 88,487</b>	<b>\$ 2,125,649</b>

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

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2013**

<b>Total fund balance of governmental funds (page 40)</b>	\$ 1,369,443
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	38,117
Compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(34,899)
Other postemployment benefits (OPEB) reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the governmental funds.	<u>(1,600)</u>
<b>Net position of governmental activities (page 38)</b>	<u>\$ 1,371,061</u>

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

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2013**

	<u>Special Revenue</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
<b>REVENUES:</b>				
Local sources	\$ 138,430	\$ 58,690	\$ 36,573	\$ 233,693
State sources	168,920	529,516	955	699,391
Federal sources	95,125	1,433,633	-	1,528,758
On-behalf payments	492,149	-	-	492,149
Total revenues	<u>894,624</u>	<u>2,021,839</u>	<u>37,528</u>	<u>2,953,991</u>
<b>EXPENDITURES:</b>				
Education:				
Salaries and benefits	5,285	884,489	2,935	892,709
Purchased services	45,217	225,070	13,011	283,298
Supplies and materials	8,442	217,807	971	227,220
Payments to other governments	246,834	659,981	-	906,815
Other objects	-	21,248	-	21,248
On-behalf payments	492,149	-	-	492,149
Capital outlay	11,370	14,358	-	25,728
Total expenditures	<u>809,297</u>	<u>2,022,953</u>	<u>16,917</u>	<u>2,849,167</u>
<b>NET CHANGE IN FUND BALANCE</b>	85,327	(1,114)	20,611	104,824
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,137,285</u>	<u>59,783</u>	<u>67,551</u>	<u>1,264,619</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,222,612</u>	<u>\$ 58,669</u>	<u>\$ 88,162</u>	<u>\$ 1,369,443</u>

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

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2013**

**Net change in fund balance (page 42)** \$ 104,824

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

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

Capital outlay	\$ 17,717	
Depreciation	<u>(17,061)</u>	656

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

Increase in compensated absences		(12,951)
Increase in other postemployment benefits (OPEB) expense		<u>(1,600)</u>

**Change in net position of governmental activities (page 39)** **\$ 90,929**

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

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2013**

	<b><u>Agency Funds</u></b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>65,403</u>
<b>LIABILITIES</b>	
Due to other governments	\$ <u>65,403</u>

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

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

**Reporting Entity**

The Bureau/Henry/Stark Counties Regional Office of Education No. 28 operates under the School Code (Article 3 and 3A of Illinois Compiled Statutes, Chapter 105). The Regional Superintendent of Schools (Superintendent) serves as chief administrative officer of the Regional Office of Education No. 28 and is elected to the position for a four year term pursuant to Article 3 of Illinois Compiled Statutes, Chapter 105. The principal financial duty of the Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring of the safety, health and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses.

For financial reporting purposes, Bureau/Henry/Stark Counties Regional Office of Education No. 28 has included all funds, organizations, agencies, boards, commissions and authorities. The Regional Office of Education No. 28 has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Regional Office of Education No. 28 are such that exclusion would cause the Regional Office of Education No. 28's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Regional Office of Education No. 28 to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Regional Office of Education No. 28.

Bureau/Henry/Stark Counties Regional Office of Education No. 28 has determined that no other outside agency meets any of the above criteria and, therefore, no other agency has been included as a component unit in the financial statements. Furthermore, the Bureau/Henry/Stark Counties Regional Office of Education No. 28 does not consider itself to be a component unit of any other entity.

**Basis of Presentation**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental activities normally are supported by operating grants and contributions, charges for services and intergovernmental revenues.

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

**Measurement Focus and Basis of Accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Bureau/Henry/Stark Counties Regional Office of Education No. 28 considers revenues to be available if they are collected within 60 days after year end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Revenues received more than 60 days after the end of the current period are considered unearned in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

It is the policy of the Bureau/Henry/Stark Counties Regional Office of Education No. 28 to have preference utilizing restricted funds first, then unrestricted. For unrestricted fund balance, committed funds are preferred to use first, then assigned, then unassigned funds (if any) as appropriate.

**Fund Accounting**

The accounts of Bureau/Henry/Stark Counties Regional Office of Education No. 28 are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. The resources allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following summarizes the fund types used:

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

General Funds - General Funds are the general operating funds of the Regional Office of Education No. 28. These funds account for all financial resources except those required to be accounted for in another fund. A description of the general funds are as follows:

Local - To account for transition monies provided by the closing of the Educational Service Region. This fund also accounts for on-behalf payments from the State of Illinois and the counties to pay the salary and benefits of the Regional Superintendent, Assistant Regional Superintendent and clerical staff.

Interest Office Expense - To account for the interest income retained by the Regional Office of Education No. 28 from the Distributive Fund.

Administrators Academy - To support professional development of administrators.

Para-Professional - To provide training for teacher aides.

Regional Safe Schools - To serve eligible students who are under suspension, expulsion, or expelled and readmitted for administrative transfer to an alternative setting. The education objectives are to improve behavior, attendance, and to receive academic credit leading to graduation or return to their home school.

Standards Aligned Classroom - To support teacher teams working on alignment of a curriculum with standards.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Homeless Grant Enterprise - To ensure that homeless students receive the services they need to attend school on a regular basis despite being homeless.

Language Arts - Funds to pay for Language Arts workshops.

Math - Development money for a summer program for math teachers.

Lab Tech - To help the Regional Office of Education No. 28 in staying abreast of changing technology for the office.

Fine Arts - To provide instruction on cultural issues.

School Improvement - To provide state mandated services.

District Services - To account for receipts from school districts for establishing and performing educational enhancing activities.

Science - To provide support for science teachers.

Reading First Enterprise - This program delivers professional development opportunities for K-3 teachers, K-12 special education teachers and administrators that address the essential components of reading instruction, scientifically-based instructional programs and materials, instructional strategies, and assessment.

Registration - To transfer educators' licensure fees to ISBE.

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

Bureau County Step Ahead - To assist at-risk, non-traditional youth no longer attending school with additional education, training, and employment opportunities. This will be accomplished by providing a comprehensive program including both occupational and academic components.

Henry County Step Ahead - To promote academic achievement, employability, leadership development skills, and occupational skills training for low income Henry County youth aged 16-21 by helping youth obtain their GED through academic and work-based training and encouraging youth to become productive, contributing members of the community by acquiring the skills necessary to obtain unsubsidized employment and self-sufficiency.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

General Operations Fund - To account for monies from the State of Illinois for expenditures incurred providing program services to the various districts.

Truants Alternative Optional Education Program - Initiative focusing on truancy prevention, intervention, and remediation services. The program also provides access to vital resources in order to link students with unmet needs to the community services designed to meet those needs.

Salary - To account for grant money due to the counties for services provided.

McKinney Education for Homeless Children - The Homeless Youth Connection (HYC) provides services for the educational needs of 450 homeless PK-12 students in Rock Island, Bureau, Henry and Stark counties. The goal of the program is to ensure that homeless students receive the services they need to attend school on a regular basis despite being homeless.

21st Century Community Learning Centers (Projects 08, 10, 12 and 13) - Provides academic enrichment opportunities during the extended school day and extended school year. Through academic enrichment, students will receive support in developing and mastering their reading, writing, and math skills via additional learning opportunities, tutoring, and homework support.

Early Childhood Block Grant Pre-K and Parental Training - To ensure that children start school ready to learn.

Early Childhood Block Grant Prevention Initiative and Parental Training - To nurture infant/child and family development.

Math and Science Partnership - A collaborative effort between the Regional Office of Education No. 28, State of Illinois, and local high-needs LEAs to provide research-based professional development to educators in the areas of math and science while integrating 21st Century Learning Skills and technology resources.

WIU Math and Science Partnership - A collaborative effort between the Regional Office of Education No. 28, Western Illinois University, and local high-needs LEAs to provide research based professional development to educators in the areas of math and science while integrating 21st Century Learning Skills and technology resources.

ISU Math and Science Partnership - A collaborative effort between the Regional Office of Education No. 28, Illinois State University, and local high-needs LEAs to provide research based professional development to educators in the areas of math and science while integrating 21st Century Learning Skills and technology resources.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Teacher Mentoring and Mentoring Pilot Program - To train experienced teachers to be mentors to new teachers.

Rural School Achievement Program - The purpose of this program is to provide financial assistance to rural districts to assist them in meeting their state's definition of adequate yearly progress (AYP).

Title II Teacher Quality Leadership - This program provides professional development training to teachers for improvement of instruction in the classroom.

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

Institute Fund - This fund accounts for the Regional Office of Education No. 28's stewardship of the assets held in trust for the benefit of the Regional Office of Education No. 28's teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences and workshops.

General Educational Development Fund - To account for the Regional Office of Education No. 28's administration of the GED Testing Program. Revenues are received from testing and diploma fees.

Bus Driver Fund - To account for the Regional Office of Education No. 28's stewardship of the assets held in trust in connection with the Bus Driver Training Program.

Hearing Fund - To account for fees collected for expenditures incurred in publishing and filing petition requests.

Supervisory Fund - To account for monies from the State of Illinois for expenditures incurred providing supervisory services in the Counties.

Fiduciary Fund Types - Agency Funds are used to account for assets held by the Regional Office of Education No. 28 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The school districts within the Regional Office of Education No. 28's geographic responsibility have signed formal agreements which allow the Regional Office of Education No. 28 to retain any interest earned during the year.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

A description of the Regional Office of Education No. 28's fiduciary funds is as follows:

Distributive Fund - To account for the pass-through of State aid monies from the Regional Office of Education No. 28 to the various school districts within the Region. At any given point in time, total fund assets are equally offset by related liabilities including amounts due to the parties for whom the assets are being held. Agency funds have no fund equity and do not involve measurement of revenues, expenditures, or expenses.

Distributive Interest Fund - To account for the pass-through of interest earned on the distributive fund checking account.

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measureable and become available.

Non-exchange transactions, in which the Regional Office of Education No. 28 receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted, matching requirements, in which the Regional Office of Education No. 28 must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the Regional Office of Education No. 28 on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

**Assets and Liabilities**

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

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

Due from other governments - Due from other governments represents amounts due from the Illinois State Board of Education, other agencies, and districts.

**BUREAU/HENRY/STARK COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Capital assets - Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements for governmental funds. Capital assets are recorded at cost at the time of acquisition or fair value at the date of donation. The Regional Office of Education No. 28 capitalizes items costing \$500 or more. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets.

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

Unearned revenues - The Regional Office of Education No. 28 reports unearned revenue in the governmental fund Balance Sheet. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period.

**Governmental Fund Balance**

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

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

Restricted Fund Balance - The portion of a governmental fund's net position that is subject to external enforceable legal restrictions. The following fund balances are restricted by grant agreements or contracts: General Operations, Truants Alternative Optional Education Program, Salary and McKinney Education for Homeless Children. The following funds are restricted by Illinois Statute: Institute Fund, General Educational Development Fund, Bus Driver Fund, Hearing Fund and Supervisory Fund.

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

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assigned Fund Balance - The portion of a governmental fund's net position to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts comprise assigned fund balances: Administrators Academy, Para-Professional, Standards Aligned Classroom, Homeless Grant Enterprise, Language Arts, Math, Lab Tech, Fine Arts, School Improvement, Science and Reading First Enterprise.

Unassigned Fund Balance - Available expendable resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the following: Local, Interest Office Expense, Regional Safe Schools, District Services, Registration, Henry County Step Ahead, 21st Century Community Learning Centers Project 10 and Early Childhood Block Grant Prevention Initiative and Parental Training.

**Net position**

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

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation.

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

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

**Interfund Activity**

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

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets and Budgetary Accounting**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 did not formally adopt a budget for the year ended June 30, 2013 and is not legally required to do so; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, the Illinois State Board of Education requires budgets for certain State and Federal programs. These budgets were used to prepare the Budgetary Comparison Schedules for the following programs: Regional Safe Schools, General Operations, Truants Alternative Optional Education Program, McKinney Education for Homeless Children, 21st Century Community Learning Centers Project 10, 21st Century Community Learning Centers Project 12, 21st Century Community Learning Centers Project 13, Early Childhood Block Grant Pre-K and Parental Training, Early Childhood Block Grant Prevention Initiative, WIU Math and Science Partnership, ISU Math and Science Partnership and Title II Teacher Quality Leadership.

**Revenue from Federal and State Grants**

Revenues from Federal and State grant awards are recorded net of the amount due to the State for the unused portion of the grant or the amount carried over to the following fiscal year project. Amounts due to the State are carried over to the following year project and are recorded as liabilities.

**Interest Revenue**

Illinois State Board of Education funds received by the Regional Office of Education No. 28 for the Distributive Fund accrue interest for the period of time between the receipt of the funds and clearance of checks to the recipient. In accordance with an agreement dated May 24, 1988 with the school district boards served, interest earned on Distributive Fund deposits is transferred to the General Fund to offset wire service and other bank charges incurred by the Distributive Fund. Distributive Fund interest earned and related charges are recognized as revenues and expenditures in the General Fund.

**Compensated Absences**

Governmental Accounting Standards Board principles require employers to accrue a liability for future compensated leave benefits which meet certain conditions. The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation leave for Regional Office of Education No. 28 employees.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

Management has evaluated subsequent events through July 2, 2014, the date the financial statements were available to be issued.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

**Deposits**

The Bureau/Henry/Stark Counties Regional Office of Education No. 28 utilizes several different bank accounts for its various activities. The book balance of such accounts is \$936,205 at June 30, 2013, while the bank balance was \$1,160,242. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2013. Of the total bank balances as of June 30, 2013, \$250,000 was secured by federal depository insurance, and \$910,242 was collateralized by securities pledged by the Regional Office of Education No. 28's financial institution on behalf of the Regional Office of Education No. 28.

The Regional Office of Education No. 28's established investment policy follows the State of Illinois Public Funds Investment Act which authorizes the Regional Office of Education No. 28 to purchase certain obligations of the U.S. Treasury, federal agencies and instrumentalities; certificates of deposit and time deposits covered by Federal depository insurance; commercial paper of U.S. corporations with assets exceeding \$500,000,000, if such paper is rated at the highest classification established by at least two standard rating services; money market funds and the Illinois Funds.

As of June 30, 2013, the Regional Office of Education No. 28 had cash equivalents with carrying and fair value of \$51,441 invested in the Illinois Funds Money Market.

***Credit Risk***

At June 30, 2013, the Illinois Funds Money Market Fund had a Standards and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)**

*Interest Rate Risk*

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

*Concentration of Credit Risk*

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

A reconciliation of cash as shown on the Statement of Net Position for the primary government is as follows:

	<b>Carrying Amount</b>
Cash - Primary Government	\$ 870,802
Cash - Agency Funds	<u>65,403</u>
 Total	 <u><u>\$ 936,205</u></u>

**NOTE 3 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2013 is as follows:

	<b>July 1, 2012 as <u>Restated</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>June 30, <u>2013</u></b>
Governmental Funds:				
Furniture and equipment	\$ 87,872	\$ 17,717	\$ -	\$ 105,589
Less: accumulated depreciation	<u>(50,411)</u>	<u>(17,061)</u>	<u>-</u>	<u>(67,472)</u>
 Capital assets, net	 <u><u>\$ 37,461</u></u>	 <u><u>\$ 656</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 38,117</u></u>

Depreciation expense was charged as follows:

Governmental activities:	
Education:	
Depreciation	<u><u>\$ 17,061</u></u>

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 4 - COMMON BANK ACCOUNT**

The Regional Office of Education No. 28 does not maintain separate bank accounts for all funds. The accounting records being maintained show the portion of the common checking account balance attributable to each participating fund.

**NOTE 5 - EMPLOYEE BENEFIT PLAN**

*Plan Description.* The Regional Office of Education No. 28'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. 28 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](http://www.imrf.org).

*Funding Policy.* As set by statute, Regional Office of Education No. 28 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 Regional Office of Education No. 28's annual required contribution rate for calendar year 2012 was 9.27 percent. The Regional Office of Education No. 28 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.* The required contribution for calendar year 2012 was \$53,572.

**THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN**

<b>Calendar Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/12	\$ 53,572	100%	\$ -
12/31/11	47,486	100%	-
12/31/10	47,518	100%	-

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)**

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of Regional Office of Education No. 28 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. Regional Office of Education No. 28 Regular plan's overfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 105.85 percent funded. The actuarial accrued liability for benefits was \$544,686 and the actuarial value of assets was \$576,526, resulting in an overfunded actuarial accrued liability (UAAL) of \$31,840. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$577,903. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

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.

The Regional Office of Education No. 28's employees who participate in the Teacher's Retirement System of the State of Illinois (TRS) are paid through Kewanee CUSD #229 and the Regional Office of Education No. 28 reimburses the school district for the payroll of these employees.

**NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS**

The Regional Office of Education No. 28 participates in the Henry County postemployment health care benefit plan (OPEB). The OPEB Plan recognizes the implicit rate subsidy as required by GASB Statement No. 45.

The actuarial valuation of liabilities under the OPEB Plan is calculated using the entry age actuarial cost method as of the November 30, 2012 actuarial valuation and is for the 12 month period from December 1, 2011 through November 30, 2012. This method requires the calculation of an unfunded actuarial accrued liability, which was approximately \$1,140,058 for Henry County as of November 30, 2012.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

The Regional Office of Education No. 28 recognized an estimated net OPEB liability of \$1,600 for other postemployment benefits, which represents the Regional Office of Education No. 28's portion of Henry County's net OPEB obligation. The Regional Office of Education No. 28's estimated portion of the net OPEB obligation was calculated using the ratio of full-time equivalent employees of the Regional Office of Education No. 28 compared to full-time equivalent employees of Henry County.

Details of the OPEB Plan are available in Henry County's audit report for the year ended November 30, 2012. The report may be obtained by writing to the County Treasurer, 307 W. Center Street, Cambridge, Illinois 61238.

**NOTE 7 - COMPENSATED ABSENCES**

The Regional Office of Education No. 28 allows vacation time for employees to be accumulated. Vacation time is calculated from the first month in which the date of hire occurred. After one year of continuous service, employees are entitled to vacation pay based upon the years of service. Upon termination employees receive pay for unused vacation earned from the previous working year. In addition, employees will receive pay for any accrued vacation earned as of the date of termination. The Regional Office of Education No. 28 records a liability associated with compensated absences. At June 30, 2013, the balance in this account was \$34,899.

	<b>June 30, 2012</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2013</b>
Governmental Funds:	\$ 21,948	\$ 53,533	\$ 40,582	\$ 34,899

**NOTE 8 - ON-BEHALF PAYMENTS**

The breakdown of the on-behalf payments by the State of Illinois for the Regional Superintendent and the Assistant Regional Superintendent of the Bureau/Henry/Stark Counties Regional Office of Education No. 28 are as follows:

Regional Superintendent - salary	\$ 103,032
Regional Superintendent - benefits (includes state paid insurance)	38,577
Assistant Regional Superintendent - salary	90,423
Assistant Regional Superintendent - benefits (includes state paid insurance)	23,511
TRS on-behalf payments	54,264
County on-behalf payments	182,342
<b>Total on-behalf payments</b>	<b>\$ 492,149</b>

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 8 - ON-BEHALF PAYMENTS (CONTINUED)**

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

The Bureau/Henry/Stark Counties Regional Office of Education No. 28 recorded the on-behalf payments as both revenues and expenditures in the General Fund.

**NOTE 9 - DUE FROM/TO OTHER GOVERNMENTS**

The Bureau/Henry/Stark Counties Regional Office of Education No. 28 has funds due from and to various other governmental units which consist of the following:

**Due From Other Governments**

General Fund	
Illinois State Board of Education	\$ 11,238
Local governments	15,647
Education Fund	
Illinois State Board of Education	698,453
Local governments	<u>21,222</u>
<b>Total</b>	<b><u>\$ 746,560</u></b>

**Due To Other Governments**

General Fund	
Local governments	\$ 19,826
Education Fund	
Local governments	<u>157,132</u>
<b>Total</b>	<b><u>\$ 176,958</u></b>

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 10 - DUE FROM/TO OTHER FUNDS**

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, as of June 30, 2013 were:

	<u>Due From</u>	<u>Due To</u>
General Fund		
Regional Safe Schools	\$ 350,000	\$ -
District Services	158,287	-
Registration	-	175
Education Fund		
Henry County Step Ahead	-	9,682
Truants Alternative Optional Education Program	-	3,331
McKinney Education for Homeless Children	-	8,252
21st Century Community Learning Centers Project 10	-	42,593
21st Century Community Learning Centers Project 12	-	99,563
21st Century Community Learning Centers Project 13	-	254,576
Early Childhood Block Grant Pre-K and Parental Training	-	8,848
WIU Math and Science Partnership	-	39,656
ISU Math and Science Partnership	-	39,111
Title II Teacher Quality Leadership	-	2,500
<b>Total</b>	<u>\$ 508,287</u>	<u>\$ 508,287</u>

**NOTE 11 - DEFICIT FUND BALANCES**

At June 30, 2013, the following funds had deficit fund balances. They are expected to correct themselves in 2014, through payments from the State and transfers from local funds.

General Fund	
Registration	\$ (175)
Education Fund	
Henry County Step Ahead	(217)
21st Century Community Learning Centers Project 10	(103)
Early Childhood Block Grant Prevention Initiative and Parental Training	(60)

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 12 - LEASE COMMITMENT**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 is committed under a lease agreement for a building facility located in Atkinson, IL. The agreement is from May 1, 2012 through June 30, 2014. The lease requires quarterly lease payments of \$7,208. Rental expense for the year ended June 30, 2013 was \$28,832.

**NOTE 13 - RESTATEMENT OF BEGINNING NET POSITION**

The Bureau/Henry/Stark Counties Regional Office of Education No. 28 restated the following net position previously reported:

	<b>Governmental Activities</b>
Net position, June 30, 2012, as previously reported	\$ 1,383,739
Adjustments to capital assets	<u>(103,607)</u>
Net position, July 1, 2012, as restated	<u>\$ 1,280,132</u>

The restatement was to adjust capital assets and relating depreciation to agree to the Regional Office of Education No. 28's updated asset records.

**NOTE 14 - RISK MANAGEMENT**

Bureau/Henry/Stark Counties Regional Office of Education No. 28 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. Bureau/Henry/Stark Counties Regional Office of Education No. 28 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 15 - NEW PRONOUNCEMENTS**

In 2013, Bureau/Henry/Stark Counties Regional Office of Education No. 28 implemented Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*; and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Regional Office of Education No. 28 implemented these standards during the current year; however, GASB Statement No. 60 and 61 had no impact on the financial statements. The implementation of GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

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

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

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
SCHEDULE OF FUNDING PROGRESS -  
ILLINOIS MUNICIPAL RETIREMENT FUND (Unaudited)  
June 30, 2013**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/12	\$ 576,526	\$ 544,686	\$ (31,840)	105.85%	\$ 577,903	0.00%
12/31/11	506,147	517,423	11,276	97.82%	508,419	2.22%
12/31/10	433,552	462,778	29,226	93.68%	474,232	6.16%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$591,500. On a market basis, the funded ratio would be 108.59%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Bureau/Henry/Stark Counties Regional Office of Education No. 28. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**SUPPLEMENTARY INFORMATION**

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND ACCOUNTS  
 JUNE 30, 2013

SCHEDULE 1

	<u>Local</u>	<u>Interest Office Expense</u>	<u>Administrators Academy</u>	<u>Para- Professional</u>	<u>Regional Safe Schools</u>	<u>Standards Aligned Classroom</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 56,717	\$ 43,021	\$ 54,777	\$ 8,064	\$ 15,907	\$ 21,498
Due from other governments	-	-	-	-	11,238	-
Due from other funds	-	-	-	-	<u>350,000</u>	-
Total assets	<u>56,717</u>	<u>43,021</u>	<u>54,777</u>	<u>8,064</u>	<u>377,145</u>	<u>21,498</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 56,717</u>	<u>\$ 43,021</u>	<u>\$ 54,777</u>	<u>\$ 8,064</u>	<u>\$ 377,145</u>	<u>\$ 21,498</u>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 1,335	\$ -
Due to other governments	-	-	-	-	11,017	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	<u>12,352</u>	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>FUND BALANCE (DEFICIT)</b>						
Assigned	-	-	54,777	8,064	-	21,498
Unassigned	<u>56,717</u>	<u>43,021</u>	<u>-</u>	<u>-</u>	<u>364,793</u>	<u>-</u>
Total fund balance (deficit)	<u>56,717</u>	<u>43,021</u>	<u>54,777</u>	<u>8,064</u>	<u>364,793</u>	<u>21,498</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 56,717</u>	<u>\$ 43,021</u>	<u>\$ 54,777</u>	<u>\$ 8,064</u>	<u>\$ 377,145</u>	<u>\$ 21,498</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**GENERAL FUND ACCOUNTS**  
**JUNE 30, 2013**

**SCHEDULE 1**  
**(CONTINUED)**

	<u>Homeless Grant Enterprise</u>	<u>Language Arts</u>	<u>Math</u>	<u>Lab Tech</u>	<u>Fine Arts</u>	<u>School Improvement</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 20	\$ 90,165	\$ 8,586	\$91,838	\$18,753	\$ 25,055
Due from other governments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>20</u>	<u>90,165</u>	<u>8,586</u>	<u>91,838</u>	<u>18,753</u>	<u>25,055</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 20</u>	<u>\$ 90,165</u>	<u>\$ 8,586</u>	<u>\$91,838</u>	<u>\$18,753</u>	<u>\$ 25,055</u>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ -	\$ -	\$ 34	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)</b>						
Assigned	20	90,165	8,552	91,838	18,753	25,055
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	<u>20</u>	<u>90,165</u>	<u>8,552</u>	<u>91,838</u>	<u>18,753</u>	<u>25,055</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 20</u>	<u>\$ 90,165</u>	<u>\$ 8,586</u>	<u>\$91,838</u>	<u>\$18,753</u>	<u>\$ 25,055</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**GENERAL FUND ACCOUNTS**  
**JUNE 30, 2013**

**SCHEDULE 1**  
**(CONTINUED)**

	<u>District Services</u>	<u>Science</u>	<u>Reading First Enterprise</u>	<u>Registration</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 268,347	\$ 3,490	\$ 3,202	\$ -	\$ 709,440
Due from other governments	15,647	-	-	-	26,885
Due from other funds	<u>158,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>508,287</u>
Total assets	<u>442,281</u>	<u>3,490</u>	<u>3,202</u>	<u>-</u>	<u>1,244,612</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 442,281</u>	<u>\$ 3,490</u>	<u>\$ 3,202</u>	<u>\$ -</u>	<u>\$ 1,244,612</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 630	\$ -	\$ -	\$ -	\$ 1,999
Due to other governments	8,809	-	-	-	19,826
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>175</u>
Total liabilities	<u>9,439</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>22,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)</b>					
Assigned	-	3,490	3,202	-	325,414
Unassigned	<u>432,842</u>	<u>-</u>	<u>-</u>	<u>(175)</u>	<u>897,198</u>
Total fund balance (deficit)	<u>432,842</u>	<u>3,490</u>	<u>3,202</u>	<u>(175)</u>	<u>1,222,612</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 442,281</u>	<u>\$ 3,490</u>	<u>\$ 3,202</u>	<u>\$ -</u>	<u>\$ 1,244,612</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 YEAR ENDED JUNE 30, 2013**

**SCHEDULE 2**

	<u>Local</u>	<u>Interest Office Expense</u>	<u>Administrators Academy</u>	<u>Para- Professional</u>	<u>Regional Safe Schools</u>	<u>Standards Aligned Classroom</u>
<b>REVENUES:</b>						
Local sources	\$ 2,104	\$ 285	\$ 5,484	\$ 3,143	\$ 959	\$ 71
State sources	-	-	-	-	168,920	-
Federal sources	-	-	-	-	-	-
On-behalf payments	492,149	-	-	-	-	-
Total revenues	<u>494,253</u>	<u>285</u>	<u>5,484</u>	<u>3,143</u>	<u>169,879</u>	<u>71</u>
<b>EXPENDITURES:</b>						
Education:						
Benefits	-	-	-	-	5,285	-
Purchased services	-	-	12,258	2,250	990	-
Supplies and materials	51	-	572	-	242	-
Payments to other governments	1,212	-	120	-	142,505	-
On-behalf payments	492,149	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>493,412</u>	<u>-</u>	<u>12,950</u>	<u>2,250</u>	<u>149,022</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	841	285	(7,466)	893	20,857	71
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>55,876</u>	<u>42,736</u>	<u>62,243</u>	<u>7,171</u>	<u>343,936</u>	<u>21,427</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 56,717</u>	<u>\$ 43,021</u>	<u>\$ 54,777</u>	<u>\$ 8,064</u>	<u>\$ 364,793</u>	<u>\$ 21,498</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 YEAR ENDED JUNE 30, 2013**

**SCHEDULE 2  
 (CONTINUED)**

	<u>Homeless Grant Enterprise</u>	<u>Language Arts</u>	<u>Math</u>	<u>Lab Tech</u>	<u>Fine Arts</u>	<u>School Improvement</u>
<b>REVENUES:</b>						
Local sources	\$ -	\$ 19,134	\$ 6,659	\$ 7,692	\$ 50	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>19,134</u>	<u>6,659</u>	<u>7,692</u>	<u>50</u>	<u>-</u>
<b>EXPENDITURES:</b>						
Education:						
Benefits	-	-	-	-	-	-
Purchased services	-	3,029	887	1,000	-	-
Supplies and materials	-	1,527	882	-	-	-
Payments to other governments	-	1,311	100	-	-	-
On-behalf payments	-	-	-	-	-	-
Capital outlay	-	-	-	11,370	-	-
Total expenditures	<u>-</u>	<u>5,867</u>	<u>1,869</u>	<u>12,370</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	13,267	4,790	(4,678)	50	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>20</u>	<u>76,898</u>	<u>3,762</u>	<u>96,516</u>	<u>18,703</u>	<u>25,055</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 20</u>	<u>\$ 90,165</u>	<u>\$ 8,552</u>	<u>\$ 91,838</u>	<u>\$ 18,753</u>	<u>\$ 25,055</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 YEAR ENDED JUNE 30, 2013**

**SCHEDULE 2  
 (CONTINUED)**

	<u>District Services</u>	<u>Science</u>	<u>Reading First Enterprise</u>	<u>Registration</u>	<u>Total</u>
<b>REVENUES:</b>					
Local sources	\$ 84,797	\$ 26	\$ 77	\$ 7,949	\$ 138,430
State sources	-	-	-	-	168,920
Federal sources	95,125	-	-	-	95,125
On-behalf payments	-	-	-	-	492,149
Total revenues	<u>179,922</u>	<u>26</u>	<u>77</u>	<u>7,949</u>	<u>894,624</u>
<b>EXPENDITURES:</b>					
Education:					
Benefits	-	-	-	-	5,285
Purchased services	24,778	-	-	25	45,217
Supplies and materials	5,168	-	-	-	8,442
Payments to other governments	93,487	-	-	8,099	246,834
On-behalf payments	-	-	-	-	492,149
Capital outlay	-	-	-	-	11,370
Total expenditures	<u>123,433</u>	<u>-</u>	<u>-</u>	<u>8,124</u>	<u>809,297</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	56,489	26	77	(175)	85,327
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>376,353</u>	<u>3,464</u>	<u>3,125</u>	<u>-</u>	<u>1,137,285</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 432,842</u>	<u>\$ 3,490</u>	<u>\$ 3,202</u>	<u>\$ (175)</u>	<u>\$ 1,222,612</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 GENERAL FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2013**

	<b>Regional Safe Schools</b>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ 959	\$ 959
State sources	<u>67,433</u>	<u>67,433</u>	<u>168,920</u>	<u>101,487</u>
Total revenues	<u>67,433</u>	<u>67,433</u>	<u>169,879</u>	<u>102,446</u>
<b>EXPENDITURES:</b>				
Education:				
Benefits	-	-	5,285	(5,285)
Purchased services	1,943	1,943	990	953
Supplies and materials	200	200	242	(42)
Payments to other governments	<u>65,290</u>	<u>65,290</u>	<u>142,505</u>	<u>(77,215)</u>
Total expenditures	<u>67,433</u>	<u>67,433</u>	<u>149,022</u>	<u>(81,589)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	20,857	<u>\$ 20,857</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>343,936</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 364,793</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND ACCOUNTS**  
**June 30, 2013**

	<u>Bureau County Step Ahead</u>	<u>Henry County Step Ahead</u>	<u>General Operations</u>	<u>Truants Alternative Optional Education Program</u>	<u>Salary</u>	<u>McKinney Education for Homeless Children</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 61,118	\$ -	\$ 282	\$ -
Due from other governments	-	12,403	2,396	7,503	-	8,819
Total assets	<u>-</u>	<u>12,403</u>	<u>63,514</u>	<u>7,503</u>	<u>282</u>	<u>8,819</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ -</u>	<u>\$ 12,403</u>	<u>\$ 63,514</u>	<u>\$ 7,503</u>	<u>\$ 282</u>	<u>\$ 8,819</u>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ -	\$ 1,056	\$ 2,466	\$ 674	\$ -	\$ -
Due to other governments	-	1,882	2,373	3,474	-	499
Due to other funds	-	9,682	-	3,331	-	8,252
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>12,620</u>	<u>4,839</u>	<u>7,479</u>	<u>-</u>	<u>8,751</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)</b>						
Restricted	-	-	58,675	24	282	68
Unassigned	-	(217)	-	-	-	-
Total fund balance (deficit)	<u>-</u>	<u>(217)</u>	<u>58,675</u>	<u>24</u>	<u>282</u>	<u>68</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>	<u>\$ -</u>	<u>\$ 12,403</u>	<u>\$ 63,514</u>	<u>\$ 7,503</u>	<u>\$ 282</u>	<u>\$ 8,819</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2013

	21st Century Community Learning Centers <u>Project 08</u>	21st Century Community Learning Centers <u>Project 10</u>	21st Century Community Learning Centers <u>Project 12</u>	21st Century Community Learning Centers <u>Project 13</u>	Early Childhood Block Grant Pre-K and Parental Training	Early Childhood Block Grant Prevention Initiative and Parental Training
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,343
Due from other governments	-	58,358	148,301	354,164	20,429	815
Total assets	-	58,358	148,301	354,164	20,429	7,158
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ 58,358</b>	<b>\$ 148,301</b>	<b>\$ 354,164</b>	<b>\$ 20,429</b>	<b>\$ 7,158</b>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ -	\$ 6,021	\$ 9,505	\$ 21,123	\$ 326	\$ 1,136
Due to other governments	-	9,847	39,233	78,465	11,255	6,082
Due to other funds	-	42,593	99,563	254,576	8,848	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	58,461	148,301	354,164	20,429	7,218
<b>DEFERRED INFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>FUND BALANCE (DEFICIT)</b>						
Restricted	-	-	-	-	-	-
Unassigned	-	(103)	-	-	-	(60)
Total fund balance (deficit)	-	(103)	-	-	-	(60)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 58,358</b>	<b>\$ 148,301</b>	<b>\$ 354,164</b>	<b>\$ 20,429</b>	<b>\$ 7,158</b>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2013

	<u>Math and Science Partnership</u>	<u>WIU Math and Science Partnership</u>	<u>ISU Math and Science Partnership</u>	<u>Teacher Mentoring and Mentoring Pilot Program</u>	<u>Rural School Achievement Program</u>	<u>Title II Teacher Quality Leadership</u>	<u>Totals</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,567	\$ -	\$ -	\$ 3,565	\$ -	\$ -	\$ 72,875
Due from other governments	-	53,266	50,596	-	-	2,625	719,675
Total assets	1,567	53,266	50,596	3,565	-	2,625	792,550
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
None	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,567</u>	<u>\$ 53,266</u>	<u>\$ 50,596</u>	<u>\$ 3,565</u>	<u>\$ -</u>	<u>\$ 2,625</u>	<u>\$ 792,550</u>
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	\$ -	\$ 12,656	\$ 10,109	\$ -	\$ -	\$ -	\$ 65,072
Due to other governments	1,567	954	1,376	-	-	125	157,132
Due to other funds	-	39,656	39,111	-	-	2,500	508,112
Unearned revenue	-	-	-	3,565	-	-	3,565
Total liabilities	1,567	53,266	50,596	3,565	-	2,625	733,881
<b>DEFERRED INFLOWS OF RESOURCES</b>							
None	-	-	-	-	-	-	-
<b>FUND BALANCE (DEFICIT)</b>							
Restricted	-	-	-	-	-	-	59,049
Unassigned	-	-	-	-	-	-	(380)
Total fund balance (deficit)	-	-	-	-	-	-	58,669
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 1,567</u>	<u>\$ 53,266</u>	<u>\$ 50,596</u>	<u>\$ 3,565</u>	<u>\$ -</u>	<u>\$ 2,625</u>	<u>\$ 792,550</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2013

SCHEDULE 5

	<u>Bureau County Step Ahead</u>	<u>Henry County Step Ahead</u>	<u>General Operations</u>	<u>Truants Alternative Optional Education Program</u>	<u>Salary</u>	<u>McKinney Education for Homeless Children</u>
<b>REVENUES:</b>						
Local sources	\$ -	\$ 57,948	\$ 637	\$ -	\$ 105	\$ -
State sources	-	-	28,774	82,577	-	-
Federal sources	<u>23,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,222</u>
Total revenues	<u>23,908</u>	<u>57,948</u>	<u>29,411</u>	<u>82,577</u>	<u>105</u>	<u>22,222</u>
<b>EXPENDITURES:</b>						
Education:						
Salaries	14,332	35,456	12,951	57,809	-	12,606
Benefits	5,612	12,123	991	13,578	-	4,611
Purchased services	3,964	8,629	5,053	8,066	-	1,809
Supplies and materials	-	1,482	6,563	1,070	-	3,196
Payment to other governments	-	475	3,002	2,030	-	-
Other objects	-	-	259	-	-	-
Capital outlay	-	-	1,455	-	-	-
Total expenditures	<u>23,908</u>	<u>58,165</u>	<u>30,274</u>	<u>82,553</u>	<u>-</u>	<u>22,222</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	(217)	(863)	24	105	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>59,538</u>	<u>-</u>	<u>177</u>	<u>68</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ (217)</u>	<u>\$ 58,675</u>	<u>\$ 24</u>	<u>\$ 282</u>	<u>\$ 68</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2013

SCHEDULE 5  
 (CONTINUED)

	<u>21st Century Community Learning Centers Project 08</u>	<u>21st Century Community Learning Centers Project 10</u>	<u>21st Century Community Learning Centers Project 12</u>	<u>21st Century Community Learning Centers Project 13</u>	<u>Early Childhood Block Grant Pre-K and Parental Training</u>	<u>Early Childhood Block Grant Prevention Initiative and Parental Training</u>
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	277,784	140,381
Federal sources	14,741	152,860	420,142	542,902	-	-
Total revenues	<u>14,741</u>	<u>152,860</u>	<u>420,142</u>	<u>542,902</u>	<u>277,784</u>	<u>140,381</u>
<b>EXPENDITURES:</b>						
Education:						
Salaries	4,798	41,051	154,760	199,144	88,449	43,277
Benefits	1,299	13,503	51,830	59,499	33,686	7,009
Purchased services	167	13,179	32,924	38,475	16,432	13,012
Supplies and materials	1,885	7,402	27,423	58,573	6,938	4,521
Payment to other governments	1,962	72,882	141,792	187,211	130,571	72,622
Other objects	4,630	4,946	11,413	-	-	-
Capital outlay	-	-	-	-	1,708	-
Total expenditures	<u>14,741</u>	<u>152,963</u>	<u>420,142</u>	<u>542,902</u>	<u>277,784</u>	<u>140,441</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	(103)	-	-	-	(60)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ (103)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60)</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2013

SCHEDULE 5  
 (CONTINUED)

	<u>Math and Science Partnership</u>	<u>WIU Math and Science Partnership</u>	<u>ISU Math and Science Partnership</u>	<u>Teacher Mentoring and Mentoring Pilot Program</u>	<u>Rural School Achievement Program</u>	<u>Title II Teacher Quality Leadership</u>	<u>Totals</u>
<b>REVENUES:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,690
State sources	-	-	-	-	-	-	529,516
Federal sources	<u>7,758</u>	<u>125,622</u>	<u>101,054</u>	-	<u>19,799</u>	<u>2,625</u>	<u>1,433,633</u>
Total revenues	<u>7,758</u>	<u>125,622</u>	<u>101,054</u>	-	<u>19,799</u>	<u>2,625</u>	<u>2,021,839</u>
<b>EXPENDITURES:</b>							
Education:							
Salaries	847	813	417	-	-	125	666,835
Benefits	1,159	6,318	6,436	-	-	-	217,654
Purchased services	2,579	44,366	33,915	-	-	2,500	225,070
Supplies and materials	1,475	50,599	46,680	-	-	-	217,807
Payment to other governments	1,698	23,526	13,606	-	8,604	-	659,981
Other objects	-	-	-	-	-	-	21,248
Capital outlay	-	-	-	-	<u>11,195</u>	-	<u>14,358</u>
Total expenditures	<u>7,758</u>	<u>125,622</u>	<u>101,054</u>	-	<u>19,799</u>	<u>2,625</u>	<u>2,022,953</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	-	-	-	-	-	(1,114)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-	-	-	<u>59,783</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,669</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE**  
 Year Ended June 30, 2013

	General Operations				Truants Alternative Optional Education Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ 637	\$ 637	\$ -	\$ -	\$ -	\$ -
State sources	28,774	28,774	28,774	-	82,553	82,553	82,577	24
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>28,774</u>	<u>28,774</u>	<u>29,411</u>	<u>637</u>	<u>82,553</u>	<u>82,553</u>	<u>82,577</u>	<u>24</u>
<b>EXPENDITURES:</b>								
Education:								
Salaries	-	-	12,951	(12,951)	-	-	57,809	(57,809)
Benefits	-	-	991	(991)	-	-	13,578	(13,578)
Purchased services	4,275	4,275	5,053	(778)	8,526	8,526	8,066	460
Supplies and materials	4,750	4,750	6,563	(1,813)	1,040	1,040	1,070	(30)
Payments to other governments	17,949	17,949	3,002	14,947	72,987	72,987	2,030	70,957
Other objects	500	500	259	241	-	-	-	-
Capital outlay	1,300	1,300	1,455	(155)	-	-	-	-
Total expenditures	<u>28,774</u>	<u>28,774</u>	<u>30,274</u>	<u>(1,500)</u>	<u>82,553</u>	<u>82,553</u>	<u>82,553</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(863)</u>	<u>\$ (863)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>24</u>	<u>\$ 24</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>59,538</u>				<u>-</u>	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<u>\$ 58,675</u>				<u>\$ 24</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2013

	McKinney Education for Homeless Children				21st Century Community Learning Centers Project 10			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	21,022	22,222	22,222	-	157,771	157,771	152,860	(4,911)
Total revenues	21,022	22,222	22,222	-	157,771	157,771	152,860	(4,911)
<b>EXPENDITURES:</b>								
Education:								
Salaries	-	-	12,606	(12,606)	51,332	40,569	41,051	(482)
Benefits	-	-	4,611	(4,611)	17,766	14,530	13,503	1,027
Purchased services	1,685	2,485	1,809	676	11,589	13,985	13,179	806
Supplies and materials	3,400	3,400	3,196	204	11,542	11,742	7,402	4,340
Payments to other governments	15,937	16,337	-	16,337	65,542	73,645	72,882	763
Other objects	-	-	-	-	-	3,300	4,946	(1,646)
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	21,022	22,222	22,222	-	157,771	157,771	152,963	4,808
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	\$ -	\$ -	-	\$ -	\$ -	\$ -	(103)	\$ (103)
<b>FUND BALANCE, BEGINNING OF YEAR</b>			68				-	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			\$ 68				\$ (103)	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2013

	21st Century Community Learning Centers Project 12				21st Century Community Learning Centers Project 13			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	485,180	485,180	420,142	(65,038)	999,520	999,520	542,902	(456,618)
Total revenues	485,180	485,180	420,142	(65,038)	999,520	999,520	542,902	(456,618)
<b>EXPENDITURES:</b>								
Education:								
Salaries	189,942	180,259	154,760	25,499	370,096	370,096	199,144	170,952
Benefits	66,472	63,564	51,830	11,734	130,177	130,177	59,499	70,678
Purchased services	42,805	43,711	32,924	10,787	57,312	57,312	38,475	18,837
Supplies and materials	23,669	30,969	27,423	3,546	57,921	57,921	58,573	(652)
Payments to other governments	162,292	156,292	141,792	14,500	370,299	370,299	187,211	183,088
Other objects	-	10,385	11,413	(1,028)	13,715	13,715	-	13,715
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	485,180	485,180	420,142	65,038	999,520	999,520	542,902	456,618
<b>NET CHANGE IN</b>								
FUND BALANCE (DEFICIT)	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -
<b>FUND BALANCE,</b>								
BEGINNING OF YEAR			-				-	
<b>FUND BALANCE (DEFICIT),</b>								
END OF YEAR			\$ -				\$ -	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2013

	Early Childhood Block Grant Pre-K and Parental Training				Early Childhood Block Grant Prevention Initiative and Parental Training			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	281,449	281,449	277,784	(3,665)	128,773	158,103	140,381	(17,722)
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>281,449</u>	<u>281,449</u>	<u>277,784</u>	<u>(3,665)</u>	<u>128,773</u>	<u>158,103</u>	<u>140,381</u>	<u>(17,722)</u>
<b>EXPENDITURES:</b>								
Education:								
Salaries	-	-	88,449	(88,449)	-	-	43,277	(43,277)
Benefits	-	-	33,686	(33,686)	-	-	7,009	(7,009)
Purchased services	21,595	21,595	16,432	5,163	9,325	13,385	13,012	373
Supplies and materials	3,914	3,914	6,938	(3,024)	1,641	3,924	4,521	(597)
Payments to other governments	254,940	254,940	130,571	124,369	117,807	140,794	72,622	68,172
Other objects	-	-	-	-	-	-	-	-
Capital outlay	1,000	1,000	1,708	(708)	-	-	-	-
Total expenditures	<u>281,449</u>	<u>281,449</u>	<u>277,784</u>	<u>3,665</u>	<u>128,773</u>	<u>158,103</u>	<u>140,441</u>	<u>17,662</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(60)</u>	<u>\$ (60)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>				<u>-</u>	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<u>\$ -</u>				<u>\$ (60)</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2013

	WIU Math and Science Partnership				ISU Math and Science Partnership			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	138,169	138,169	125,622	(12,547)	137,586	137,586	101,054	(36,532)
Total revenues	138,169	138,169	125,622	(12,547)	137,586	137,586	101,054	(36,532)
<b>EXPENDITURES:</b>								
Education:								
Salaries	-	-	813	(813)	-	-	417	(417)
Benefits	-	-	6,318	(6,318)	-	-	6,436	(6,436)
Purchased services	57,995	54,795	44,366	10,429	52,106	45,406	33,915	11,491
Supplies and materials	25,625	28,825	50,599	(21,774)	35,625	42,325	46,680	(4,355)
Payments to other governments	54,549	54,549	23,526	31,023	49,855	49,855	13,606	36,249
Other objects	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	138,169	138,169	125,622	12,547	137,586	137,586	101,054	36,532
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<b>-</b>				<b>-</b>	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<b>\$ -</b>				<b>\$ -</b>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2013

	Title II Teacher Quality Leadership			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	2,625	4,725	2,625	(2,100)
Total revenues	<u>2,625</u>	<u>4,725</u>	<u>2,625</u>	<u>(2,100)</u>
<b>EXPENDITURES:</b>				
Education:				
Salaries	125	225	125	100
Benefits	-	-	-	-
Purchased services	2,500	4,500	2,500	2,000
Supplies and materials	-	-	-	-
Payments to other governments	-	-	-	-
Other objects	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>2,625</u>	<u>4,725</u>	<u>2,625</u>	<u>2,100</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<u>\$ -</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2013**

	<u>Institute Fund</u>	<u>General Educational Development Fund</u>	<u>Bus Driver Fund</u>	<u>Hearing Fund</u>	<u>Supervisory Fund</u>	<u>Totals</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 69,450	\$ 1,757	\$ 12,258	\$ 2,927	\$ 2,095	\$ 88,487
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 69,450</u>	<u>\$ 1,757</u>	<u>\$ 12,258</u>	<u>\$ 2,927</u>	<u>\$ 2,095</u>	<u>\$ 88,487</u>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ -	\$ 325	\$ -	\$ -	\$ -	\$ 325
<b>DEFERRED INFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>FUND BALANCE</b>						
Restricted	<u>69,450</u>	<u>1,432</u>	<u>12,258</u>	<u>2,927</u>	<u>2,095</u>	<u>88,162</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 69,450</u>	<u>\$ 1,757</u>	<u>\$ 12,258</u>	<u>\$ 2,927</u>	<u>\$ 2,095</u>	<u>\$ 88,487</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended June 30, 2013**

**SCHEDULE 8**

	<u>Institute Fund</u>	<u>General Educational Development Fund</u>	<u>Bus Driver Fund</u>	<u>Hearing Fund</u>	<u>Supervisory Fund</u>	<u>Totals</u>
<b>REVENUES:</b>						
Local sources	\$ 25,389	\$ 6,034	\$ 2,832	\$ 2,318	\$ -	\$ 36,573
State sources	-	-	955	-	-	955
Total revenues	25,389	6,034	3,787	2,318	-	37,528
<b>EXPENDITURES:</b>						
Education:						
Salaries	-	2,517	-	-	-	2,517
Benefits	-	418	-	-	-	418
Purchased services	5,738	3,694	1,789	1,790	-	13,011
Supplies and materials	865	98	8	-	-	971
Total expenditures	6,603	6,727	1,797	1,790	-	16,917
<b>NET CHANGE IN FUND BALANCE</b>	18,786	(693)	1,990	528	-	20,611
<b>FUND BALANCE, BEGINNING OF YEAR</b>	50,664	2,125	10,268	2,399	2,095	67,551
<b>FUND BALANCE, END OF YEAR</b>	\$ 69,450	\$ 1,432	\$ 12,258	\$ 2,927	\$ 2,095	\$ 88,162

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 AGENCY FUNDS  
 June 30, 2013

	<u>Distributive Fund</u>	<u>Distributive Interest Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 48,673	\$ 16,730	\$ 65,403
<b>LIABILITIES</b>			
Due to other governments	\$ 48,673	\$ 16,730	\$ 65,403

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 Year Ended June 30, 2013**

	<u>Balance, June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2013</u>
<b>DISTRIBUTIVE FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 290,514	\$ 42,415,106	\$ 42,656,947	\$ 48,673
<b>LIABILITIES</b>				
Due to other governments	\$ 290,514	\$ 42,415,106	\$ 42,656,947	\$ 48,673
<b>DISTRIBUTIVE INTEREST FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 16,373	\$ 753	\$ 396	\$ 16,730
<b>LIABILITIES</b>				
Due to other governments	\$ 16,373	\$ 753	\$ 396	\$ 16,730
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 306,887	\$ 42,415,859	\$ 42,657,343	\$ 65,403
<b>LIABILITIES</b>				
Due to other governments	\$ 306,887	\$ 42,415,859	\$ 42,657,343	\$ 65,403

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT**  
**TREASURERS AND OTHER ENTITIES**  
**Year Ended June 30, 2013**

**SCHEDULE 11**

<u>Program</u>	<u>Bradford CUSD #1</u>	<u>LADD G.S. SD #94</u>	<u>Stark County CUSD #100</u>	<u>Colona Elementary SD #190</u>	<u>Orion CUSD #223</u>
General State Aid 3001	\$ 266,837	\$ 666,088	\$ 1,600,517	\$ 1,591,448	\$ 1,997,309
Reorganization Incentive 3010	-	12,056	-	-	-
Reorganization Incentive 3015	-	7,116	-	-	-
Reorganization Incentive 3020	-	-	-	-	-
Education Fax. Tuition 3100	13,987	-	15,456	-	-
Education Extraordinary 3105	53,459	36,035	130,622	79,074	170,603
Education Personnel 3110	39,482	33,385	89,811	56,702	114,161
Orphanage Group 3120	5,418	-	14,998	-	187,389
Education Summer School 3145	-	-	-	1,066	259
Vocational Education 3225	-	-	-	-	-
Agricultural Education 3235	-	-	1,977	-	2,902
Bilingual Education 3305	-	-	-	-	-
Illinois Free Lunch 3360	1,068	989	3,907	3,748	1,543
Driver Education 3370	-	-	12,005	-	14,769
Transportation Regular 3500	92,006	56,194	146,862	-	310,922
Transportation Special Education 3510	74,615	25,903	123,792	12,600	65,086
School Bus Driver Training 3520	-	-	-	-	-
Sp Ed Orphans & Foster 3130	-	-	-	-	37,539
Truants Alternative Education 3695	-	-	-	-	-
Regional Safe Schools 3696	-	-	-	-	-
Early Childhood Block Grant 3705	52,834	54,000	130,219	115,610	-
ROE/ISC Operations 3730	-	-	-	-	-
Fresh Fruits and Vegetables 4240	-	-	-	-	-
National School Lunch 4210	37,019	38,986	135,181	111,865	111,094
Lunch, Breakfast and Milk 4215	-	-	-	-	-
Breakfast Program 4220	11,044	7,995	40,542	30,484	-
Title I Delinquent 4306	-	-	-	-	44,059
Summer Food 4225	-	-	-	-	-
Title I 4300	84,767	23,507	120,379	135,596	25,643
21st Century Community Learning 4421	-	-	-	-	-
Education Room & Board 4625	105,299	-	-	42	2
American Recovery & Reinvestment Act 488C	-	-	-	2,459	-
Title III Language 4909	-	-	-	-	-
Renovation IDEA & Tech 4932	18,473	12,144	33,903	40,682	24,389
Math and Science 4936	-	-	-	-	-
<b>Totals</b>	<b>\$ 856,308</b>	<b>\$ 974,398</b>	<b>\$ 2,600,171</b>	<b>\$ 2,181,376</b>	<b>\$ 3,107,669</b>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT**  
**TREASURERS AND OTHER ENTITIES**  
**Year Ended June 30, 2013**

**SCHEDULE 11**  
**(CONTINUED)**

<u>Program</u>	<u>Galva</u> <u>CUSD #224</u>	<u>Annawan</u> <u>CUSD #226</u>	<u>Cambridge</u> <u>CUSD #227</u>	<u>Geneseo</u> <u>CUSD #228</u>	<u>Kewanee</u> <u>CUSD #229</u>
General State Aid 3001	\$ 1,744,202	\$ 767,950	\$ 1,445,143	\$ 5,161,132	\$ 8,914,943
Reorganization Incentive 3010	-	-	-	-	58,001
Reorganization Incentive 3015	-	-	-	-	82,036
Reorganization Incentive 3020	-	-	-	-	484,000
Education Fax. Tuition 3100	-	36,204	-	383	31,074
Education Extraordinary 3105	99,604	61,102	83,286	435,884	350,769
Education Personnel 3110	52,143	21,832	44,236	185,797	79,417
Orphanage Group 3120	58,356	-	-	8,593	25,229
Education Summer School 3145	-	-	-	1,611	1,548
Vocational Education 3225	-	-	1,367	-	-
Agricultural Education 3235	2,713	2,313	-	1,998	1,283
Bilingual Education 3305	-	-	-	-	30,349
Illinois Free Lunch 3360	2,505	742	2,234	7,587	23,164
Driver Education 3370	6,254	6,178	5,554	42,621	23,552
Transportation Regular 3500	92,505	64,382	126,684	974,662	429,035
Transportation Special Education 3510	216,173	47,933	74,183	371,071	142,407
School Bus Driver Training 3520	-	-	-	-	-
Sp Ed Orphans & Foster 3130	-	-	-	-	-
Truants Alternative Education 3695	-	-	-	-	-
Regional Safe Schools 3696	-	-	-	-	-
Early Childhood Block Grant 3705	136,169	105,494	78,372	171,035	396,658
ROE/ISC Operations 3730	-	-	-	-	-
Fresh Fruits and Vegetables 4240	-	-	-	-	65,420
National School Lunch 4210	114,842	49,505	83,316	305,240	579,331
Lunch, Breakfast and Milk 4215	1,048	-	1,686	-	-
Breakfast Program 4220	10,246	-	25,487	65,873	189,377
Title I Delinquent 4306	-	-	-	-	-
Summer Food 4225	-	-	-	-	45,260
Title I 4300	84,098	40,036	80,937	139,435	762,243
21st Century Community Learning 4421	-	-	-	-	-
Education Room & Board 4625	-	111,768	-	2,156	72,953
American Recovery & Reinvestment Act 488C	2,889	1,384	-	8,592	-
Title III Language 4909	-	-	-	-	19,434
Renovation IDEA & Tech 4932	30,543	-	32,169	61,666	104,735
Math and Science 4936	-	-	-	-	-
<b>Totals</b>	<u>\$ 2,654,290</u>	<u>\$ 1,316,823</u>	<u>\$ 2,084,654</u>	<u>\$ 7,945,336</u>	<u>\$ 12,912,218</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT**  
**TREASURERS AND OTHER ENTITIES**  
**Year Ended June 30, 2013**

**SCHEDULE 11**  
**(CONTINUED)**

<u>Program</u>	<u>Wethersfield CUSD #230</u>	<u>Neponset C.C. SD #307</u>	<u>Princeton H.S. SD #500</u>	<u>Regional Office of Education</u>	<u>Total</u>
General State Aid 3001	\$ 2,000,820	\$ -	\$ 837,572	\$ 101,490	\$ 27,095,451
Reorganization Incentive 3010	-	-	-	-	70,057
Reorganization Incentive 3015	-	-	-	-	89,152
Reorganization Incentive 3020	-	-	-	-	484,000
Education Fax. Tuition 3100	-	-	-	-	97,104
Education Extraordinary 3105	113,095	-	104,407	-	1,717,940
Education Personnel 3110	27,112	752	114,061	-	858,891
Orphanage Group 3120	6,250	-	-	-	306,233
Education Summer School 3145	-	-	-	-	4,484
Vocational Education 3225	-	-	-	-	1,367
Agricultural Education 3235	1,977	-	799	-	15,962
Bilingual Education 3305	-	-	-	-	30,349
Illinois Free Lunch 3360	3,202	-	1,486	-	52,175
Driver Education 3370	8,587	-	26,399	-	145,919
Transportation Regular 3500	57,315	21,438	4,014	-	2,376,019
Transportation Special Education 3510	82,239	-	40,041	-	1,276,043
School Bus Driver Training 3520	-	-	-	955	955
Sp Ed Orphans & Foster 3130	-	-	-	-	37,539
Truants Alternative Education 3695	-	-	-	100,190	100,190
Regional Safe Schools 3696	-	-	-	80,193	80,193
Early Childhood Block Grant 3705	134,399	-	-	498,394	1,873,184
ROE/ISC Operations 3730	-	-	-	26,378	26,378
Fresh Fruits and Vegetables 4240	-	-	-	-	65,420
National School Lunch 4210	104,095	-	62,634	-	1,733,108
Lunch, Breakfast and Milk 4215	-	-	-	-	2,734
Breakfast Program 4220	22,679	-	10,589	-	414,316
Title I Delinquent 4306	-	-	-	-	44,059
Summer Food 4225	-	-	-	-	45,260
Title I 4300	154,933	-	113,199	-	1,764,773
21st Century Community Learning 4421	-	-	-	861,918	861,918
Education Room & Board 4625	44	-	-	-	292,264
American Recovery & Reinvestment Act 488C	-	-	1,576	-	16,900
Title III Language 4909	-	-	-	-	19,434
Renovation IDEA & Tech 4932	34,221	-	18,209	-	411,134
Math and Science 4936	-	-	-	246,042	246,042
<b>Totals</b>	<b>\$ 2,750,968</b>	<b>\$ 22,190</b>	<b>\$ 1,334,986</b>	<b>\$ 1,915,560</b>	<b>\$ 42,656,947</b>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 Year Ended June 30, 2013

Federal Grantor/Pass- Through Grantor, Program or Cluster Title	<u>CFDA Number</u>	<u>Project Number (1st 8 digits) or Contract #</u>	<u>Federal Expenditures June 30, 2013</u>
<b>U.S. Department of Education:</b>			
<b>Rural Education</b>			
Rural Education Achievement Award	84.358A	S358A125329	\$ <u>19,799</u>
<b>U.S. Department of Education passed through</b>			
<b>Illinois State Board of Education:</b>			
<b>Twenty-First Century Community Learning Centers</b>			
Twenty-First Century Community Learning Centers	84.287C	12-4421-08	14,741
Twenty-First Century Community Learning Centers	84.287C	12-4421-12	64,045
Twenty-First Century Community Learning Centers	84.287C	13-4421-12	356,097
Twenty-First Century Community Learning Centers	84.287C	12-4421-10	26,318
Twenty-First Century Community Learning Centers	84.287C	13-4421-10	126,542
Twenty-First Century Community Learning Centers	84.287C	13-4421-13	<u>542,902</u>
(M)Total Twenty-First Century Community Learning Centers			<u>1,130,645</u>
<b>Mathematics and Science Partnerships</b>			
Mathematics and Science Partnerships	84.366B	12-4936-10	7,758
Mathematics and Science Partnerships	84.366B	12-4936-41	40,862
Mathematics and Science Partnerships	84.366B	13-4936-41	84,760
Mathematics and Science Partnerships	84.366B	12-4936-40	23,638
Mathematics and Science Partnerships	84.366B	13-4936-40	<u>77,416</u>
Total Mathematics and Science Partnerships			<u>234,434</u>
<b>Improving Teacher Quality State Grants</b>			
Title II Teacher Quality Leadership	84.367A	13-4935-02	<u>2,625</u>
<b>U.S. Department of Education passed through</b>			
<b>Lee/Ogle Counties Regional Office of Education No. 47:</b>			
Education for Homeless Children and Youth			
McKinney Education for Homeless Children	84.196A	13-4920-00	<u>22,222</u>
<b>U.S. Department of Education passed through</b>			
<b>Boone/Winnebago Counties Regional Office of Education No. 4:</b>			
Title I - Grants to Local Educational Agencies			
Title I - School Improvement (SSOS)	84.010A	13-4331-SS	<u>95,125</u>
Total U.S. Department of Education			<u>1,504,850</u>
<b>U. S. Department of Labor passed through</b>			
<b>Business Employment Skills Team, Inc.:</b>			
Workforce Investment Act (WIA) Youth Activities			
WIA - Bureau County Step Ahead Program	17.259	11-001	<u>23,908</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ <u>1,528,758</u></b>

(M) Program was audited as a major program

The accompanying notes are an integral part of this schedule.

**BUREAU/HENRY/STARK COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 28  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Bureau/Henry/Stark Counties Regional Office of Education No. 28 and is presented 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 preparation of, the basic financial statements.

**NOTE 2 - DESCRIPTION OF FEDERAL PROGRAM AUDITED AS A MAJOR PROGRAM**

The following federal program was audited as a major program in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

21st Century Community Learning Centers (Projects 08, 10, 12 and 13) - Provides academic enrichment opportunities during the extended school day and extended school year. Through academic enrichment, students will receive support in developing and mastering their reading, writing, and math skills via additional learning opportunities, tutoring, and homework support.

**NOTE 3 - SUBRECIPIENTS**

N/A

**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.