

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, 2014

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
(During the audit period and current)

Ms. Angela Zarvell

Assistant Regional Superintendent
(During the audit period to May 31, 2015)

Mr. Brad Hulick

Assistant Regional Superintendent
(After the audit period from July 1, 2015 to current)

Ms. Kathy Marshall

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	3	4
Repeated audit findings	2	1
Prior recommendations implemented or not repeated	2	0

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)

2014-001	14	Controls Over Financial Statement Preparation	Material Weakness
2014-002	16	Inadequate Segregation of Assets, Liabilities and Fund Balances	Material Weakness
2014-003	18	Inadequate Controls Over Payroll	Significant Deficiency

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

2014-003	18	Inadequate Controls Over Payroll	Significant Deficiency
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PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

2013-003	24	Inadequate Controls Over Capital Assets	Material Weakness
2013-004	24	Inadequate Segregation of Duties Over Cash Receipts	Significant Deficiency

PRIOR AUDIT FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

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

COMPLIANCE REPORT SUMMARY (CONTINUED)

EXIT CONFERENCE

Bureau/Henry/Stark Counties Regional Office of Education No. 28 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2014. Throughout the audit, meetings were held between auditors and Regional Office officials to discuss matters obtained in this report. Responses to the recommendations were provided by Angela Zarvell, Regional Superintendent and Sarah Nodine, Bookkeeper on December 10, 2015.

**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, 2014, 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, 2014, 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 25 through 34 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 schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, 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 schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 December 15, 2015 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
December 15, 2015



**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, 2014, 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 December 15, 2015.

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 2014-001 and 2014-002 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 2014-003 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
December 15, 2015

**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, 2014. 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, 2014.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2014-003, that we consider to be a significant deficiency.

Bureau/Henry/Stark Counties Regional Office of Education No. 28's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Bureau/Henry/Stark Counties Regional Office of Education No. 28's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
December 15, 2015

**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, 2014**

FINDING 2014-001 - Controls Over Financial Statement Preparation (Repeat of findings 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 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, due from other governments, accounts payable and due to other governments. While the Regional Office of Education No. 28 did maintain records to indicate the balances of these accounts, 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, 2014**

FINDING 2014-001 - Controls Over Financial Statement Preparation (Repeat of findings 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 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, 2014**

**FINDING 2014-002 - Inadequate Segregation of Assets, Liabilities and Fund Balances
(Partial repeat from 13-002)**

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 purchased an accounting software package which provides the reporting features required for proper fund accounting. The accounting software package has currently been set up to allow 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 set up of the 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 purchased an accounting software package which provides the reporting features required for proper fund accounting. However, the segregation of assets, liabilities and fund balances has not yet been performed in the accounting software package.

**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, 2014**

**FINDING 2014-002 - Inadequate Segregation of Assets, Liabilities and Fund Balances
(Partial repeat from 13-002)(Continued)**

Auditors' Recommendation:

The Regional Office of Education No. 28 should fully implement the accounting software package that provides the necessary reporting features required for proper fund accounting. The accounting software package should be set up to 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:

The Regional Office of Education #28 acquired accounting software that will produce trial balances. However, the transition was lengthy and difficult. The software contractor had not completed segregation of assets, liabilities and fund balances for the individual accounts at time of audit. This since has been rectified.

**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, 2014**

FINDING 2014-003 - Inadequate Controls Over Payroll

Federal Program Name: Twenty-First Century Community Learning Centers

Project No.: 13-4421-13, 14-4221-13

CFDA No.: 84.287C

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

Bureau/Henry/Stark Counties Regional Office of Education No. 28 is responsible for establishing and maintaining an internal control system over payroll expenditures to prevent errors and fraud.

Condition:

For 1 of 12 employees tested it was noted that an employee's pay rate did not agree to the contracted amount. The employee's pay rate (\$9.00/hour) was not updated for the most recent pay increase (\$9.18/hour), so the employee was not receiving the full, contracted pay rate. Although the unpaid amount is inconsequential, this represents a break down in internal control.

Questioned Costs:

None

Context:

Total salary and benefits expended during the fiscal period totaled \$511,107 for the Twenty-First Century Community Learning Centers project 13.

Effect:

Lack of effective internal controls procedures could result in unintentional or intentional errors that may not be detected and corrected in a timely manner by employees in the normal course of performing their assigned duties.

Cause:

The Regional Office of Education No. 28 did not have proper internal controls in place to ensure the employee's pay rate agreed to the contracted amount.

**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, 2014**

FINDING 2014-003 - Inadequate Controls Over Payroll (Continued)

Auditors' Recommendation:

The Regional Office of Education No. 28 should establish internal control procedures to ensure employees' pay rates used to calculate payroll expenditures agree to the contracted amounts. In addition, the Regional Office of Education No. 28 should calculate and pay the employee for amounts earned but not paid in previous pay periods.

Management's Response:

The Regional Office of Education #28 has implemented a checks and balance system to prevent such occurrences involving payroll service providers.

**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, 2014**

Instances of Noncompliance:

None

Significant Deficiencies:

FINDING 2014-003 - Inadequate Controls Over Payroll (finding details on pages 18 and 19)

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, 2014**

FINDING 2014-001 - Controls Over Financial Statement Preparation (Repeat of findings 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 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, due from other governments, accounts payable and due to other governments. While the Regional Office of Education No. 28 did maintain records to indicate the balances of these accounts, 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, 2014**

**FINDING 2014-002 - Inadequate Segregation of Assets, Liabilities and Fund Balances
(Partial repeat from 13-002)**

Condition:

The Regional Office of Education No. 28 purchased an accounting software package which provides the reporting features required for proper fund accounting. The accounting software package has currently been set up to allow 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:

The Regional Office of Education #28 acquired accounting software that will produce trial balances. However, the transition was lengthy and difficult. The software contractor had not completed segregation of assets, liabilities and fund balances for the individual accounts at time of audit. This since has been rectified.

Anticipated Completion Date:

Completed as of October 2015

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, 2014**

FINDING 2014-003 - Inadequate Controls Over Payroll

Condition:

For 1 of 12 employees tested it was noted that an employee's pay rate did not agree to the contracted amount. The employee's pay rate was not updated for the most recent pay increase, so they were not receiving their full, contracted amount.

Plan:

The Regional Office of Education #28 has implemented a checks and balance system to prevent such occurrences involving payroll service providers.

Anticipated Completion Date:

Completed as of October 2015

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, 2014**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
2013-001	Controls Over Financial Statement Preparation	Repeated
2013-002	Inadequate Accounting Software and Segregation of Assets, Liabilities and Fund Balances	Partially Repeated
2013-003	Inadequate Controls Over Capital Assets	Resolved
2013-004	Inadequate Segregation of Duties Over Cash Receipts	Resolved

Management's Discussion and Analysis

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

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, 2014. Readers are encouraged to consider this information in conjunction with the Regional Office of Education No. 28's financial statements which follow:

2014 Financial Highlights

General Fund revenues decreased from \$894,624 in fiscal year 2013 to \$826,120 in fiscal year 2014. General Fund expenditures also decreased from \$809,297 in fiscal year 2013 to \$802,789 in fiscal year 2014. The decreases were mostly attributable to the reclassification of the Regional Safe School activity from the General Fund and into the Education Fund.

Education Fund revenues increased from \$2,021,839 in fiscal year 2013 to \$2,279,980 in fiscal year 2014. Education Fund expenditures also increased from \$2,022,953 in fiscal year 2013 to \$2,282,813 in fiscal year 2014. The increases were mostly attributable to grant revenue and the reclassification noted above.

Government-wide revenues increased by approximately 6% from \$2,953,991 in fiscal year 2013 to \$3,133,596 in fiscal year 2014. Government-wide expenses increased by approximately 10% from \$2,863,062 in fiscal year 2013 to \$3,149,260 in fiscal year 2014.

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, 2014**

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, 2014**

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, 2014**

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 2014 and 2013 totaled \$1,355,397 and \$1,371,061, respectively. The analysis that follows provides a summary of the Regional Office of Education No. 28's net position as of June 30.

<u>2014</u>	<u>Governmental Activities</u>
Current assets	\$ 1,587,494
Capital assets, being depreciated, net	<u>26,929</u>
Total assets	<u>1,614,423</u>
 Deferred outflows of resources	 <u>-</u>
Current liabilities	184,681
Non-current liabilities	<u>74,345</u>
Total liabilities	<u>259,026</u>
 Deferred inflows of resources	 <u>-</u>
Net position	
Net investment in capital assets	26,929
Unrestricted	1,160,360
Restricted for educational purposes	<u>168,108</u>
 Total net position	 <u>\$ 1,355,397</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

<u>2013</u>	Governmental Activities
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>
 Total net position	 <u><u>\$ 1,371,061</u></u>

The Regional Office of Education No. 28's net position decreased by \$15,664 (1%) from fiscal year 2013. The decrease was primarily due to increases in compensated absences.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

Changes in net position. The following shows the changes in net position for the years ended June 30, 2014 and 2013.

<u>2014</u>	<u>Governmental Activities</u>
Revenues:	
Program revenues	
Charges for services	\$ 26,541
Operating grants and contributions	2,281,076
General revenues	
Local sources	216,889
State sources	33,206
On-behalf payments	<u>575,884</u>
Total revenues	<u>3,133,596</u>
Expenses:	
Education	
Salaries and benefits	1,168,073
Purchased services	239,929
Supplies and materials	134,942
Payments to other governments	987,995
Other objects	27,740
Capital outlay	555
Depreciation	14,142
Administrative	
On-behalf payments	<u>575,884</u>
Total expenses	<u>3,149,260</u>
Change in net position	(15,664)
Net position, beginning	<u>1,371,061</u>
Net position, ending	<u>\$ 1,355,397</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

	Governmental Activities
<u>2013</u>	
Revenues:	
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>
Expenses:	
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>
Change in net position	90,929
Net position, beginning as restated	<u>1,280,132</u>
Net position, ending	<u>\$ 1,371,061</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

Governmental Activities

Revenues for governmental activities were \$3,133,596 and \$2,953,991 and expenses were \$3,149,260 and \$2,863,062 for 2014 and 2013, respectively. The increase in program revenues and expenses were mainly due to grant, workshop and services 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 \$1,402,813, above last year's ending combined fund balances of \$1,369,443.

Governmental Fund Highlights

The General Fund fund balance increased from \$1,222,612 in 2013 to \$1,234,705 in 2014. The increase was mostly attributable to workshop and service revenues.

The Education Fund fund balance increased from \$58,669 in 2013 to \$67,074 in 2014. The increase was mostly attributable to reclassification of the Regional Safe Schools fund.

Fiduciary Fund Highlights

Fiduciary funds increased when compared to the prior year. Total assets and liabilities increased from \$65,403 in fiscal year 2013 to \$595,738 in fiscal year 2014. Transactions during fiscal year 2014 represent mainly transfers in and out of funds for the distributive fund and school facility occupation tax funds.

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, 2014**

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. For fiscal year 2014, total additions and retirements amounted to \$2,954 and \$0, respectively. Depreciation expense for fiscal year 2014 was \$14,142. The net investment in capital assets as of June 30, 2014 was \$26,929. Additional information on Bureau/Henry/Stark Counties Regional Office of Education No. 28's capital assets can be found in Note 6 on page 57 of this report.

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

At the time these financial statements were prepared, the Bureau, Henry and Stark Counties Regional Office of Education No. 28 was aware of several existing circumstances that could affect its financial health in the future:

- The uncertainty and timing of state funding.
- The ability to acquire grant funding.
- The revenues and expenses associated with workshops and services.

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 2014 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, 2014

	Primary Government Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,017,494
Accounts receivable	3,680
Due from other governments	566,320
Total current assets	1,587,494
Non-current assets:	
Capital assets, being depreciated, net	26,929
Total assets	1,614,423
DEFERRED OUTFLOWS OF RESOURCES	
None	-
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	34,377
Due to other governments	146,739
Unearned revenue	3,565
Total current liabilities	184,681
Non-current liabilities:	
Compensated absences	72,845
Other postemployment benefits (OPEB)	1,500
Total non-current liabilities	74,345
Total liabilities	259,026
DEFERRED INFLOWS OF RESOURCES	
None	-
NET POSITION	
Net investment in capital assets	26,929
Unrestricted	1,160,360
Restricted for educational purposes	168,108
Total net position	\$ 1,355,397

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, 2014

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Primary Government	
			Governmental Activities	
Primary government:				
Governmental activities:				
Education:				
Salaries and benefits	\$ 1,168,073	\$ 5,043	\$ 1,126,554	\$ (36,476)
Purchased services	239,929	21,233	156,928	(61,768)
Supplies and materials	134,942	265	129,329	(5,348)
Payments to other governments	987,995	-	837,103	(150,892)
Other objects	27,740	-	27,740	-
Capital outlay	555	-	3,422	2,867
Depreciation	14,142	-	-	(14,142)
Administrative:				
On-behalf payments	575,884	-	-	(575,884)
Total governmental activities	\$ 3,149,260	\$ 26,541	\$ 2,281,076	(841,643)
General revenues:				
Local sources				216,889
State sources				33,206
On-behalf payments				575,884
Total general revenue				825,979
CHANGE IN NET POSITION				(15,664)
NET POSITION, BEGINNING OF YEAR				1,371,061
NET POSITION, END OF YEAR				\$ 1,355,397

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, 2014

		Special Revenue		
	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 826,016	\$ 90,444	\$ 101,034	\$ 1,017,494
Accounts receivable	-	3,680	-	3,680
Due from other governments	6,328	559,992	-	566,320
Due from other funds	<u>411,183</u>	<u>-</u>	<u>-</u>	<u>411,183</u>
Total assets	<u>1,243,527</u>	<u>654,116</u>	<u>101,034</u>	<u>1,998,677</u>
DEFERRED OUTFLOWS OF RESOURCES				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,243,527</u>	<u>\$ 654,116</u>	<u>\$ 101,034</u>	<u>\$ 1,998,677</u>
 LIABILITIES				
Accounts payable and accrued expenses	\$ 71	\$ 34,306	\$ -	\$ 34,377
Due to other governments	8,576	138,163	-	146,739
Due to other funds	175	411,008	-	411,183
Unearned revenue	<u>-</u>	<u>3,565</u>	<u>-</u>	<u>3,565</u>
Total liabilities	<u>8,822</u>	<u>587,042</u>	<u>-</u>	<u>595,864</u>
DEFERRED INFLOWS OF RESOURCES				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Restricted	-	68,110	101,034	169,144
Assigned	342,812	-	-	342,812
Unassigned	<u>891,893</u>	<u>(1,036)</u>	<u>-</u>	<u>890,857</u>
Total fund balance	<u>1,234,705</u>	<u>67,074</u>	<u>101,034</u>	<u>1,402,813</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 1,243,527</u>	<u>\$ 654,116</u>	<u>\$ 101,034</u>	<u>\$ 1,998,677</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 GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2014**

Total fund balance of governmental funds (page 38)	\$ 1,402,813
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.	26,929
Compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(72,845)
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>(1,500)</u>
Net position of governmental activities (page 36)	<u>\$ 1,355,397</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, 2014

	<u>Special Revenue</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
REVENUES:				
Local sources	\$ 155,541	\$ 61,348	\$ 26,541	\$ 243,430
State sources	81,201	624,080	955	706,236
Federal sources	13,494	1,594,552	-	1,608,046
On-behalf payments	<u>575,884</u>	<u>-</u>	<u>-</u>	<u>575,884</u>
Total revenues	<u>826,120</u>	<u>2,279,980</u>	<u>27,496</u>	<u>3,133,596</u>
EXPENDITURES:				
Education:				
Salaries and benefits	-	1,127,384	2,843	1,130,227
Purchased services	71,194	157,075	11,660	239,929
Supplies and materials	5,436	129,385	121	134,942
Payments to other governments	150,275	837,720	-	987,995
Other objects	-	27,740	-	27,740
On-behalf payments	575,884	-	-	575,884
Capital outlay	<u>-</u>	<u>3,509</u>	<u>-</u>	<u>3,509</u>
Total expenditures	<u>802,789</u>	<u>2,282,813</u>	<u>14,624</u>	<u>3,100,226</u>
NET CHANGE IN FUND BALANCE	23,331	(2,833)	12,872	33,370
FUND BALANCE, BEGINNING OF YEAR, AS RECLASSIFIED	<u>1,211,374</u>	<u>69,907</u>	<u>88,162</u>	<u>1,369,443</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,234,705</u>	<u>\$ 67,074</u>	<u>\$ 101,034</u>	<u>\$ 1,402,813</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, 2014

Net change in fund balance (page 40)	\$	33,370
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>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.</p>		
Capital outlay	\$ 2,954	
Depreciation	<u>(14,142)</u>	(11,188)
<p>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:</p>		
Increase in compensated absences		(37,946)
Decrease in other postemployment benefits (OPEB) expense		<u>100</u>
Change in net position of governmental activities (page 37)	\$	<u>(15,664)</u>

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, 2014

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 44,999
Due from other governments	<u>550,739</u>
TOTAL ASSETS	<u>\$ 595,738</u>
LIABILITIES	
Due to other governments	<u>\$ 595,738</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, 2014**

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, 2014**

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 reported as unavailable 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, 2014**

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

General State Aid - To provide general flexible state aid to schools for the support of educational services.

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, 2014**

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, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Operations - 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 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.

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, 2014**

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.

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.

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.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

School Facility Occupation Tax - To account for 1 percent sales tax collected in Henry County for school facility maintenance and improvements to be distributed to the school districts within the county.

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 measurable 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.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources

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.

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.

Deferred inflows of resources - Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of receivables not collected within 60 days after fiscal year end.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, McKinney Education for Homeless Children and Regional Safe Schools. 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.

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, General State Aid, District Services, Registration, Henry County Step Ahead, 21st Century Community Learning Centers Project 10, 21st Century Community Learning Centers Project 13, Early Childhood Block Grant Pre-K and Parental Training, Early Childhood Block Grant Prevention Initiative and Parental Training, WIU Math and Science Partnership and ISU Math and Science Partnership.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2014 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: 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 and Parental Training, Title II Teacher Quality Leadership and Regional Safe Schools.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 December 15, 2015, the date the financial statements were available to be issued.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 2 - CASH AND CASH EQUIVALENTS

Deposits

State regulations require that the Bureau/Henry/Stark Counties Regional Office of Education No. 28 deposit funds under its control into accounts insured by the federal government, secured by substantial collateral or pooled into investment trusts. All funds not needed for immediate disbursements are maintained in interest bearing accounts. The *Illinois Compiled Statutes* authorize the Regional Office of Education No. 28 to make deposits and invest in U.S. Government, State of Illinois, and municipal securities; certificates of deposit or time savings deposits insured by the FDIC; mortgage notes, bonds, or debentures issued by the Federal Housing Administration; bonds and other obligations of the Federal National Mortgage Association; commercial paper rated within the three highest classifications by at least two standard rating services; credit union shares; and the Illinois Public Treasurer's Investment Pool.

The Regional Office of Education No. 28 utilizes several different bank accounts for its various activities. The book balance of such accounts is \$1,062,493 at June 30, 2014, while the bank balance was \$1,768,794. Included in the bank balance is \$31,453 deposited in the Illinois Funds. The Illinois Funds portfolio includes: certificates of deposit issued by Illinois financial institutions, repurchase agreements backed by direct treasury obligations from primary government securities dealers, direct treasury obligations of the U.S. Government, and money market funds backed by full faith and credit obligations of the U.S. Government. The Regional Office of Education No. 28 owns no identifiable investment securities in the Illinois Funds; therefore, credit risk cannot be assessed for the Illinois Funds.

Custodial credit risk is the risk that in event of bank failure, the Regional Office of Education No. 28's deposits may not be returned to it. The Regional Office of Education No. 28 does not have a deposit policy for custodial credit risk. As of June 30, 2014, \$281,453 of the deposits made by the Regional Office of Education No. 28 were covered by the Federal Depository Insurance Corporation (FDIC), and \$1,487,341 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.

Credit Risk

At June 30, 2014, 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, 2014**

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:

	Carrying Amount
Cash - Primary Government	\$ 1,017,494
Cash - Agency Funds	<u>44,999</u>
Total	<u>\$ 1,062,493</u>

NOTE 3 - 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 4 - 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	
Local governments	\$ 6,328
Education Fund	
Illinois State Board of Education	548,540
Local governments	11,452

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 4 - DUE FROM/TO OTHER GOVERNMENTS (CONTINUED)

Due From Other Governments (Continued)

Agency Funds	
Local governments	\$ 550,739
Total	<u>\$ 1,117,059</u>

Due To Other Governments

General Fund	
Local governments	\$ 8,576
Education Fund	
Local governments	138,163
Agency Funds	
Local governments	595,738
Total	<u>\$ 742,477</u>

NOTE 5 - DUE FROM/TO OTHER FUNDS

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, as of June 30, 2014 were:

	<u>Due From</u>	<u>Due To</u>
General Fund		
General State Aid	\$ 300,000	\$ -
District Services	111,183	-
Registration	-	175
Education Fund		
Bureau County Step Ahead	-	1,606
Henry County Step Ahead	-	3,031
Truants Alternative Optional Education Program	-	11,493
McKinney Education for Homeless Children	-	3,373
21st Century Community Learning Centers Project 10	-	25,797
21st Century Community Learning Centers Project 12	-	99,274
21st Century Community Learning Centers Project 13	-	265,936
WIU Math and Science Partnership	-	249
ISU Math and Science Partnership	-	249
Total	<u>\$ 411,183</u>	<u>\$ 411,183</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2014 is as follows:

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Governmental Funds:				
Furniture and equipment	\$ 105,589	\$ 2,954	\$ -	\$ 108,543
Less: accumulated depreciation	<u>(67,472)</u>	<u>(14,142)</u>	<u>-</u>	<u>(81,614)</u>
Capital assets, net	<u>\$ 38,117</u>	<u>\$ (11,188)</u>	<u>\$ -</u>	<u>\$ 26,929</u>

Depreciation expense was charged as follows:

Governmental activities:

 Education:

 Depreciation

\$ 14,142

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, 2014, the balance in this account was \$72,845.

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Governmental Funds:	<u>\$ 34,899</u>	<u>\$ 77,527</u>	<u>\$ 39,581</u>	<u>\$ 72,845</u>

NOTE 8 - EMPLOYEE BENEFIT PLAN

Illinois Municipal Retirement Fund

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 (RSI). That report may be obtained on-line at www.imrf.org.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 8 - EMPLOYEE BENEFIT PLAN (CONTINUED)

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 2013 was 8.82 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 2013 was \$76,034.

THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 76,034	100%	\$ -
12/31/12	53,572	100%	-
12/31/11	47,486	100%	-

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, 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, 2011 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, 2013, the most recent actuarial valuation date, the Regular plan was 103.28 percent funded. The actuarial accrued liability for benefits was \$705,335 and the actuarial value of assets was \$728,453, resulting in an overfunded actuarial accrued liability (UAAL) of \$23,118. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$862,067. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 8 - EMPLOYEE BENEFIT PLAN (CONTINUED)

The schedule of funding progress, presented as required supplementary information (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.

Teacher's Retirement System of Illinois

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 9 - 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, 2013 actuarial valuation and is for the 12 month period from December 1, 2012 through November 30, 2013. This method requires the calculation of an unfunded actuarial accrued liability, which was approximately \$1,140,058 for Henry County as of November 30, 2013.

The Regional Office of Education No. 28 recognized an estimated net OPEB liability of \$1,500 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, 2013. The report may be obtained by writing to the County Treasurer, 307 W. Center Street, Cambridge, Illinois 61238.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 10 - 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	\$ 104,784
Regional Superintendent - benefits (includes state paid insurance)	34,904
Assistant Regional Superintendent - salary	94,320
Assistant Regional Superintendent - benefits (includes state paid insurance)	33,357
TRS on-behalf payments	70,503
County on-behalf payments	<u>238,016</u>
Total on-behalf payments	<u>\$ 575,884</u>

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

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 11 - DEFICIT FUND BALANCES

At June 30, 2014, the following funds had deficit fund balances. They are expected to correct themselves in 2015, through payments from the State and transfers from local funds.

General Fund	
Registration	\$ (175)
Education Fund	
Henry County Step Ahead	(262)
21st Century Community Learning Centers Project 10	(103)
21st Century Community Learning Centers Project 13	(112)
Early Childhood Block Grant Pre-K and Parental Training	(1)
Early Childhood Block Grant Prevention Initiative and Parental Training	(60)
WIU Math and Science Partnership	(249)
ISU Math and Science Partnership	(249)

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

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. An agreement commencing on May 1, 2012 and extending to June 30, 2014 required quarterly lease payments of \$7,208. On May 1, 2014 a new agreement was entered into. An agreement commencing on May 1, 2014 and extending to June 30, 2016 requires quarterly lease payments of \$7,500. Rental expense for the year ended June 30, 2014 was \$28,833.

Bureau/Henry/Stark Counties Regional Office of Education No. 28 is committed under a lease agreement for a building facility located in Kewanee, IL. The agreement commenced on July 1, 2009 and automatically renews for successive one year periods unless either party has given written notice of intent not to renew sixty days prior to the expiration of the then-current term. The lease requires monthly lease payments of \$400. Rental expense for the year ended June 30, 2014 was \$4,800.

Future minimum payments under operating leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 34,800
2016	<u>30,000</u>
Total	<u>\$ 64,800</u>

NOTE 13 - RECLASSIFICATION

Bureau/Henry/Stark Counties Regional Office of Education No. 28 has reclassified funds within the governmental fund statements to more appropriately reflect the purpose of those funds. The fund previously reported as Regional Safe Schools in the General Fund has been broken out and is currently shown as General State Aid in the General Fund and Regional Safe Schools in the Education Fund. The impact of the fund reclassification is a decrease in the General Fund fund balances of \$11,238 and an increase in the Education Fund fund balances of \$11,238.

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.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 15 - NEW PRONOUNCEMENTS

In 2014, Bureau/Henry/Stark Counties Regional Office of Education No. 28 implemented Governmental Accounting Standards Board (GASB) Statement No. 66, Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62; GASB Statement No. 67, Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25; and GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. These statements had no impact on the financial statements for the Bureau/Henry/Stark Counties Regional Office of Education No. 28. The Bureau/Henry/Stark Counties Regional Office of Education No. 28 also implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. This clarified GASB Statement No. 63's presentation of deferred inflows and outflows of resources.

NOTE 16 - PROSPECTIVE ACCOUNTING CHANGE

The Governmental Accounting Standards Board has issued Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.

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, 2014**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 728,453	\$ 705,335	\$ (23,118)	103.28%	\$ 862,067	0.00%
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%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$822,087. On a market basis, the funded ratio would be 116.55%.

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, 2014

SCHEDULE 1

	<u>Local</u>	<u>Interest Office Expense</u>	<u>Administrators Academy</u>	<u>Para- Professional</u>	<u>General State Aid</u>	<u>Standards Aligned Classroom</u>
ASSETS						
Cash and cash equivalents	\$ 56,942	\$ 43,021	\$ 56,783	\$ 8,868	\$ 5,209	\$ 21,549
Due from other governments	-	-	-	-	-	-
Due from other funds	-	-	-	-	300,000	-
Total assets	56,942	43,021	56,783	8,868	305,209	21,549
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 56,942	\$ 43,021	\$ 56,783	\$ 8,868	\$ 305,209	\$ 21,549
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Assigned	-	-	56,783	8,868	-	21,549
Unassigned	56,942	43,021	-	-	305,209	-
Total fund balance (deficit)	56,942	43,021	56,783	8,868	305,209	21,549
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 56,942	\$ 43,021	\$ 56,783	\$ 8,868	\$ 305,209	\$ 21,549

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND ACCOUNTS
JUNE 30, 2014

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>
ASSETS						
Cash and cash equivalents	\$ 20	\$ 105,584	\$ 7,413	\$ 92,055	\$ 18,789	\$ 25,055
Due from other governments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	20	105,584	7,413	92,055	18,789	25,055
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 20	\$ 105,584	\$ 7,413	\$ 92,055	\$ 18,789	\$ 25,055
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ 71	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	71	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Assigned	20	105,513	7,413	92,055	18,789	25,055
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	20	105,513	7,413	92,055	18,789	25,055
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 20	\$ 105,584	\$ 7,413	\$ 92,055	\$ 18,789	\$ 25,055

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND ACCOUNTS
JUNE 30, 2014

SCHEDULE 1
(CONTINUED)

	<u>District Services</u>	<u>Science</u>	<u>Reading First Enterprise</u>	<u>Registration</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 377,961	\$ 3,509	\$ 3,258	\$ -	\$ 826,016
Due from other governments	6,328	-	-	-	6,328
Due from other funds	<u>111,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>411,183</u>
Total assets	495,472	3,509	3,258	-	1,243,527
DEFERRED OUTFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 495,472</u>	<u>\$ 3,509</u>	<u>\$ 3,258</u>	<u>\$ -</u>	<u>\$ 1,243,527</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 71
Due to other governments	8,576	-	-	-	8,576
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>175</u>
Total liabilities	<u>8,576</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>8,822</u>
DEFERRED INFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)					
Assigned	-	3,509	3,258	-	342,812
Unassigned	<u>486,896</u>	<u>-</u>	<u>-</u>	<u>(175)</u>	<u>891,893</u>
Total fund balance (deficit)	<u>486,896</u>	<u>3,509</u>	<u>3,258</u>	<u>(175)</u>	<u>1,234,705</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 495,472</u>	<u>\$ 3,509</u>	<u>\$ 3,258</u>	<u>\$ -</u>	<u>\$ 1,243,527</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, 2014

SCHEDULE 2

	<u>Local</u>	<u>Interest Office Expense</u>	<u>Administrators Academy</u>	<u>Para- Professional</u>	<u>General State Aid</u>	<u>Standards Aligned Classroom</u>
REVENUES:						
Local sources	\$ 228	\$ -	\$ 10,293	\$ 3,954	\$ 635	\$ 51
State sources	-	-	-	-	81,201	-
Federal sources	-	-	-	-	-	-
On-behalf payments	575,884	-	-	-	-	-
Total revenues	<u>576,112</u>	<u>-</u>	<u>10,293</u>	<u>3,954</u>	<u>81,836</u>	<u>51</u>
EXPENDITURES:						
Education:						
Purchased services	-	-	7,426	3,150	-	-
Supplies and materials	3	-	621	-	-	-
Payments to other governments	-	-	240	-	130,182	-
On-behalf payments	575,884	-	-	-	-	-
Total expenditures	<u>575,887</u>	<u>-</u>	<u>8,287</u>	<u>3,150</u>	<u>130,182</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	225	-	2,006	804	(48,346)	51
FUND BALANCE, BEGINNING OF YEAR, AS RECLASSIFIED	<u>56,717</u>	<u>43,021</u>	<u>54,777</u>	<u>8,064</u>	<u>353,555</u>	<u>21,498</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 56,942</u>	<u>\$ 43,021</u>	<u>\$ 56,783</u>	<u>\$ 8,868</u>	<u>\$ 305,209</u>	<u>\$ 21,549</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, 2014**

**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>
REVENUES:						
Local sources	\$ -	\$ 29,881	\$ 4,532	\$ 217	\$ 36	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>29,881</u>	<u>4,532</u>	<u>217</u>	<u>36</u>	<u>-</u>
EXPENDITURES:						
Education:						
Purchased services	-	9,734	4,525	-	-	-
Supplies and materials	-	3,839	846	-	-	-
Payments to other governments	-	960	300	-	-	-
On-behalf payments	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>14,533</u>	<u>5,671</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	15,348	(1,139)	217	36	-
FUND BALANCE, BEGINNING OF YEAR, AS RECLASSIFIED	<u>20</u>	<u>90,165</u>	<u>8,552</u>	<u>91,838</u>	<u>18,753</u>	<u>25,055</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 20</u>	<u>\$ 105,513</u>	<u>\$ 7,413</u>	<u>\$ 92,055</u>	<u>\$ 18,789</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, 2014**

**SCHEDULE 2
 (CONTINUED)**

	<u>District Services</u>	<u>Science</u>	<u>Reading First Enterprise</u>	<u>Registration</u>	<u>Total</u>
REVENUES:					
Local sources	\$ 103,414	\$ 19	\$ 56	\$ 2,225	\$ 155,541
State sources	-	-	-	-	81,201
Federal sources	13,494	-	-	-	13,494
On-behalf payments	-	-	-	-	575,884
Total revenues	<u>116,908</u>	<u>19</u>	<u>56</u>	<u>2,225</u>	<u>826,120</u>
EXPENDITURES:					
Education:					
Purchased services	46,359	-	-	-	71,194
Supplies and materials	127	-	-	-	5,436
Payments to other governments	16,368	-	-	2,225	150,275
On-behalf payments	-	-	-	-	575,884
Total expenditures	<u>62,854</u>	<u>-</u>	<u>-</u>	<u>2,225</u>	<u>802,789</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	54,054	19	56	-	23,331
FUND BALANCE, BEGINNING OF YEAR, AS RECLASSIFIED	<u>432,842</u>	<u>3,490</u>	<u>3,202</u>	<u>(175)</u>	<u>1,211,374</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 486,896</u>	<u>\$ 3,509</u>	<u>\$ 3,258</u>	<u>\$ (175)</u>	<u>\$ 1,234,705</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2014**

	<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>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 61,148	\$ -	\$ 358	\$ -
Accounts receivable	3,680	-	-	-	-	-
Due from other governments	-	5,874	-	14,521	-	5,578
Total assets	<u>3,680</u>	<u>5,874</u>	<u>61,148</u>	<u>14,521</u>	<u>358</u>	<u>5,578</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,680</u>	<u>\$ 5,874</u>	<u>\$ 61,148</u>	<u>\$ 14,521</u>	<u>\$ 358</u>	<u>\$ 5,578</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 960	\$ 934	\$ 106	\$ 208	\$ -	\$ 1,539
Due to other governments	1,114	2,171	4,620	2,796	-	598
Due to other funds	1,606	3,031	-	11,493	-	3,373
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>3,680</u>	<u>6,136</u>	<u>4,726</u>	<u>14,497</u>	<u>-</u>	<u>5,510</u>
DEFERRED INFLOWS OF RESOURCES						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)						
Restricted	-	-	56,422	24	358	68
Unassigned	-	(262)	-	-	-	-
Total fund balance (deficit)	<u>-</u>	<u>(262)</u>	<u>56,422</u>	<u>24</u>	<u>358</u>	<u>68</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 3,680</u>	<u>\$ 5,874</u>	<u>\$ 61,148</u>	<u>\$ 14,521</u>	<u>\$ 358</u>	<u>\$ 5,578</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2014

	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 and Parental Training	WIU Math and Science Partnership
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 7,869	\$ 2,549	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other governments	32,363	145,688	325,023	22,886	2,611	-
Total assets	32,363	145,688	325,023	30,755	5,160	-
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 32,363	\$ 145,688	\$ 325,023	\$ 30,755	\$ 5,160	\$ -
LIABILITIES						
Accounts payable and accrued expenses	\$ 3,001	\$ 12,706	\$ 14,797	\$ -	\$ 55	\$ -
Due to other governments	3,668	33,708	44,402	30,756	5,165	-
Due to other funds	25,797	99,274	265,936	-	-	249
Unearned revenue	-	-	-	-	-	-
Total liabilities	32,466	145,688	325,135	30,756	5,220	249
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	-	-
Unassigned	(103)	-	(112)	(1)	(60)	(249)
Total fund balance (deficit)	(103)	-	(112)	(1)	(60)	(249)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 32,363	\$ 145,688	\$ 325,023	\$ 30,755	\$ 5,160	\$ -

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2014

	ISU Math and Science Partnership	Teacher Mentoring and Mentoring Pilot Program	Rural School Achievement Program	Title II Teacher Quality Leadership	Regional Safe Schools	Totals
ASSETS						
Cash and cash equivalents	\$ -	\$ 3,565	\$ -	\$ -	\$ 14,955	\$ 90,444
Accounts receivable	-	-	-	-	-	3,680
Due from other governments	-	-	-	-	5,448	559,992
Total assets	-	3,565	-	-	20,403	654,116
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 3,565	\$ -	\$ -	\$ 20,403	\$ 654,116
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,306
Due to other governments	-	-	-	-	9,165	138,163
Due to other funds	249	-	-	-	-	411,008
Unearned revenue	-	3,565	-	-	-	3,565
Total liabilities	249	3,565	-	-	9,165	587,042
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	11,238	68,110
Unassigned	(249)	-	-	-	-	(1,036)
Total fund balance (deficit)	(249)	-	-	-	11,238	67,074
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ -	\$ 3,565	\$ -	\$ -	\$ 20,403	\$ 654,116

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, 2014

SCHEDULE 4

	<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>
REVENUES:						
Local sources	\$ -	\$ 59,780	\$ 1,492	\$ -	\$ 76	\$ -
State sources	-	-	28,738	79,870	-	-
Federal sources	35,429	-	-	-	-	13,454
Total revenues	<u>35,429</u>	<u>59,780</u>	<u>30,230</u>	<u>79,870</u>	<u>76</u>	<u>13,454</u>
EXPENDITURES:						
Education:						
Salaries	21,346	36,907	10,063	57,623	-	5,886
Benefits	7,588	12,234	5,299	12,913	-	1,996
Purchased services	4,286	9,222	5,327	6,905	-	1,363
Supplies and materials	2,206	1,217	5,618	1,137	-	3,910
Payment to other governments	3	245	5,836	1,292	-	299
Other objects	-	-	340	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>35,429</u>	<u>59,825</u>	<u>32,483</u>	<u>79,870</u>	<u>-</u>	<u>13,454</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	(45)	(2,253)	-	76	-
FUND BALANCE, BEGINNING OF YEAR, AS RECLASSIFIED	<u>-</u>	<u>(217)</u>	<u>58,675</u>	<u>24</u>	<u>282</u>	<u>68</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ (262)</u>	<u>\$ 56,422</u>	<u>\$ 24</u>	<u>\$ 358</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, 2014

SCHEDULE 4
 (CONTINUED)

	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	WIU Math and Science Partnership
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	283,909	166,185	-
Federal sources	118,180	396,785	945,791	-	-	19,820
Total revenues	<u>118,180</u>	<u>396,785</u>	<u>945,791</u>	<u>283,909</u>	<u>166,185</u>	<u>19,820</u>
EXPENDITURES:						
Education:						
Salaries	42,598	141,526	390,088	103,287	41,899	-
Benefits	13,756	45,344	121,019	37,275	6,644	821
Purchased services	6,439	20,044	45,007	22,308	13,147	13,006
Supplies and materials	3,229	22,630	77,385	1,747	4,914	948
Payment to other governments	48,858	156,856	298,689	118,738	99,581	5,294
Other objects	3,300	10,385	13,715	-	-	-
Capital outlay	-	-	-	555	-	-
Total expenditures	<u>118,180</u>	<u>396,785</u>	<u>945,903</u>	<u>283,910</u>	<u>166,185</u>	<u>20,069</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	(112)	(1)	-	(249)
FUND BALANCE, BEGINNING OF YEAR, AS RECLASSIFIED	<u>(103)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60)</u>	<u>-</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (103)</u>	<u>\$ -</u>	<u>\$ (112)</u>	<u>\$ (1)</u>	<u>\$ (60)</u>	<u>\$ (249)</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, 2014

SCHEDULE 4
 (CONTINUED)

	ISU Math and Science Partnership	Teacher Mentoring and Mentoring Pilot Program	Rural School Achievement Program	Title II Teacher Quality Leadership	Regional Safe Schools	Totals
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,348
State sources	-	-	-	-	65,378	624,080
Federal sources	39,843	-	20,000	5,250	-	1,594,552
Total revenues	<u>39,843</u>	<u>-</u>	<u>20,000</u>	<u>5,250</u>	<u>65,378</u>	<u>2,279,980</u>
EXPENDITURES:						
Education:						
Salaries	-	-	-	250	-	851,473
Benefits	721	-	-	-	10,301	275,911
Purchased services	4,433	-	-	5,000	588	157,075
Supplies and materials	3,486	-	758	-	200	129,385
Payment to other governments	31,452	-	16,288	-	54,289	837,720
Other objects	-	-	-	-	-	27,740
Capital outlay	-	-	2,954	-	-	3,509
Total expenditures	<u>40,092</u>	<u>-</u>	<u>20,000</u>	<u>5,250</u>	<u>65,378</u>	<u>2,282,813</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(249)	-	-	-	-	(2,833)
FUND BALANCE, BEGINNING OF YEAR, AS RECLASSIFIED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,238</u>	<u>69,907</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (249)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,238</u>	<u>\$ 67,074</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2014

	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		
REVENUES:								
Local sources	\$ -	\$ -	\$ 1,492	\$ 1,492	\$ -	\$ -	\$ -	\$ -
State sources	28,738	28,738	28,738	-	79,870	79,870	79,870	-
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>28,738</u>	<u>28,738</u>	<u>30,230</u>	<u>1,492</u>	<u>79,870</u>	<u>79,870</u>	<u>79,870</u>	<u>-</u>
EXPENDITURES:								
Education:								
Salaries	-	-	10,063	(10,063)	-	-	57,623	(57,623)
Benefits	-	-	5,299	(5,299)	-	-	12,913	(12,913)
Purchased services	4,325	4,325	5,327	(1,002)	7,416	7,416	6,905	511
Supplies and materials	4,500	4,500	5,618	(1,118)	567	567	1,137	(570)
Payments to other governments	18,413	18,413	5,836	12,577	71,887	71,887	1,292	70,595
Other objects	500	500	340	160	-	-	-	-
Capital outlay	1,000	1,000	-	1,000	-	-	-	-
Total expenditures	<u>28,738</u>	<u>28,738</u>	<u>32,483</u>	<u>(3,745)</u>	<u>79,870</u>	<u>79,870</u>	<u>79,870</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>(2,253)</u>	<u>\$ (2,253)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR, AS RECLASSIFIED			<u>58,675</u>				<u>24</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 56,422</u>				<u>\$ 24</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2014

	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		
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	13,454	13,454	13,454	-	105,180	105,180	118,180	13,000
Total revenues	13,454	13,454	13,454	-	105,180	105,180	118,180	13,000
EXPENDITURES:								
Education:								
Salaries	-	-	5,886	(5,886)	40,569	40,569	42,598	(2,029)
Benefits	-	-	1,996	(1,996)	14,348	14,348	13,756	592
Purchased services	10,571	1,680	1,363	317	7,949	7,949	6,439	1,510
Supplies and materials	2,883	3,268	3,910	(642)	2,000	2,000	3,229	(1,229)
Payments to other governments	-	8,506	299	8,207	38,825	38,825	48,858	(10,033)
Other objects	-	-	-	-	1,489	1,489	3,300	(1,811)
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	13,454	13,454	13,454	-	105,180	105,180	118,180	(13,000)
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR, AS RECLASSIFIED			68				(103)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ 68				\$ (103)	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2014

	21st Century Community Learning Centers Project 12				21st Century Community Learning Centers Project 13			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	485,180	485,180	396,785	(88,395)	999,520	999,520	945,791	(53,729)
Total revenues	485,180	485,180	396,785	(88,395)	999,520	999,520	945,791	(53,729)
EXPENDITURES:								
Education:								
Salaries	160,542	160,542	141,526	19,016	388,642	403,042	390,088	12,954
Benefits	55,008	55,008	45,344	9,664	130,133	131,234	121,019	10,215
Purchased services	49,967	49,967	20,044	29,923	57,588	62,368	45,007	17,361
Supplies and materials	32,948	32,948	22,630	10,318	86,960	86,960	77,385	9,575
Payments to other governments	173,745	173,745	156,856	16,889	323,172	302,891	298,689	4,202
Other objects	12,970	12,970	10,385	2,585	13,025	13,025	13,715	(690)
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	485,180	485,180	396,785	88,395	999,520	999,520	945,903	53,617
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	-	\$ -	\$ -	\$ -	(112)	\$ (112)
FUND BALANCE, BEGINNING OF YEAR, AS RECLASSIFIED			-				-	
FUND BALANCE (DEFICIT), END OF YEAR			\$ -				\$ (112)	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2014

	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		
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	281,449	285,449	283,909	(1,540)	158,103	158,103	166,185	8,082
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>281,449</u>	<u>285,449</u>	<u>283,909</u>	<u>(1,540)</u>	<u>158,103</u>	<u>158,103</u>	<u>166,185</u>	<u>8,082</u>
EXPENDITURES:								
Education:								
Salaries	-	-	103,287	(103,287)	-	-	41,899	(41,899)
Benefits	-	-	37,275	(37,275)	-	-	6,644	(6,644)
Purchased services	21,464	21,464	22,308	(844)	10,755	12,428	13,147	(719)
Supplies and materials	1,804	1,804	1,747	57	2,015	2,015	4,914	(2,899)
Payments to other governments	257,431	261,431	118,738	142,693	145,333	143,660	99,581	44,079
Other objects	-	-	-	-	-	-	-	-
Capital outlay	750	750	555	195	-	-	-	-
Total expenditures	<u>281,449</u>	<u>285,449</u>	<u>283,910</u>	<u>1,539</u>	<u>158,103</u>	<u>158,103</u>	<u>166,185</u>	<u>(8,082)</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>(1)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR, AS RECLASSIFIED			<u>-</u>				<u>(60)</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (1)</u>				<u>\$ (60)</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2014

	Title II Teacher Quality Leadership				Regional Safe Schools			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	65,378	65,378	65,378	-
Federal sources	3,150	3,150	5,250	2,100	-	-	-	-
Total revenues	3,150	3,150	5,250	2,100	65,378	65,378	65,378	-
EXPENDITURES:								
Education:								
Salaries	150	150	250	(100)	-	-	-	-
Benefits	-	-	-	-	-	-	10,301	(10,301)
Purchased services	3,000	3,000	5,000	(2,000)	1,695	1,695	588	1,107
Supplies and materials	-	-	-	-	200	200	200	-
Payments to other governments	-	-	-	-	63,483	63,483	54,289	9,194
Other objects	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	3,150	3,150	5,250	(2,100)	65,378	65,378	65,378	-
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR, AS RECLASSIFIED			-				11,238	
FUND BALANCE (DEFICIT), END OF YEAR			\$ -				\$ 11,238	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2014**

	<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>
ASSETS						
Cash and cash equivalents	\$ 79,900	\$ 1,156	\$ 13,956	\$ 3,927	\$ 2,095	\$ 101,034
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 79,900</u>	<u>\$ 1,156</u>	<u>\$ 13,956</u>	<u>\$ 3,927</u>	<u>\$ 2,095</u>	<u>\$ 101,034</u>
LIABILITIES						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE						
Restricted	<u>79,900</u>	<u>1,156</u>	<u>13,956</u>	<u>3,927</u>	<u>2,095</u>	<u>101,034</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 79,900</u>	<u>\$ 1,156</u>	<u>\$ 13,956</u>	<u>\$ 3,927</u>	<u>\$ 2,095</u>	<u>\$ 101,034</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, 2014

SCHEDULE 7

	<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>
REVENUES:						
Local sources	\$ 18,548	\$ 4,632	\$ 2,361	\$ 1,000	\$ -	\$ 26,541
State sources	-	-	955	-	-	955
Total revenues	<u>18,548</u>	<u>4,632</u>	<u>3,316</u>	<u>1,000</u>	<u>-</u>	<u>27,496</u>
EXPENDITURES:						
Education:						
Salaries	-	2,108	-	-	-	2,108
Benefits	400	335	-	-	-	735
Purchased services	7,609	2,433	1,618	-	-	11,660
Supplies and materials	89	32	-	-	-	121
Total expenditures	<u>8,098</u>	<u>4,908</u>	<u>1,618</u>	<u>-</u>	<u>-</u>	<u>14,624</u>
NET CHANGE IN FUND BALANCE	10,450	(276)	1,698	1,000	-	12,872
FUND BALANCE, BEGINNING OF YEAR	<u>69,450</u>	<u>1,432</u>	<u>12,258</u>	<u>2,927</u>	<u>2,095</u>	<u>88,162</u>
FUND BALANCE, END OF YEAR	<u>\$ 79,900</u>	<u>\$ 1,156</u>	<u>\$ 13,956</u>	<u>\$ 3,927</u>	<u>\$ 2,095</u>	<u>\$ 101,034</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2014

	<u>Distributive Fund</u>	<u>Distributive Interest Fund</u>	<u>School Facility Occupation Tax</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 27,133	\$ 17,866	\$ -	\$ 44,999
Due from other governments	-	-	550,739	550,739
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 27,133</u>	<u>\$ 17,866</u>	<u>\$ 550,739</u>	<u>\$ 595,738</u>
LIABILITIES				
Due to other governments	<u>\$ 27,133</u>	<u>\$ 17,866</u>	<u>\$ 550,739</u>	<u>\$ 595,738</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2014**

	<u>Balance, June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2014</u>
DISTRIBUTIVE FUND				
ASSETS				
Cash and cash equivalents	\$ 48,673	\$ 41,861,545	\$ 41,883,085	\$ 27,133
LIABILITIES				
Due to other governments	\$ 48,673	\$ 41,861,545	\$ 41,883,085	\$ 27,133
DISTRIBUTIVE INTEREST FUND				
ASSETS				
Cash and cash equivalents	\$ 16,730	\$ 1,337	\$ 201	\$ 17,866
LIABILITIES				
Due to other governments	\$ 16,730	\$ 1,337	\$ 201	\$ 17,866
SCHOOL FACILITY OCCUPATION TAX				
ASSETS				
Cash and cash equivalents	\$ -	\$ 698,448	\$ 698,448	\$ -
Due from other governments	-	550,739	-	550,739
TOTAL ASSETS	\$ -	\$ 1,249,187	\$ 698,448	\$ 550,739
LIABILITIES				
Due to other governments	\$ -	\$ 1,249,187	\$ 698,448	\$ 550,739
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 65,403	\$ 42,561,330	\$ 42,581,734	\$ 44,999
Due from other governments	-	550,739	-	550,739
TOTAL ASSETS	\$ 65,403	\$ 43,112,069	\$ 42,581,734	\$ 595,738
LIABILITIES				
Due to other governments	\$ 65,403	\$ 43,112,069	\$ 42,581,734	\$ 595,738

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2014

SCHEDULE 10

<u>Program</u>	<u>Bradford CUSD #1</u>	<u>Erie CUSD #1</u>	<u>P.L.T. CUSD #3</u>	<u>United Township HS #30</u>	<u>LADD G.S. SD #94</u>	<u>Stark County CUSD #100</u>	<u>Colona Elementary SD #190</u>	<u>R.O.W.V.A. CUSD #208</u>	<u>Orion CUSD #223</u>
General State Aid 3001	\$ 218,527	\$ -	\$ -	\$ -	\$ 493,777	\$ 1,478,050	\$ 1,650,423	\$ -	\$ 1,933,006
Reorganization Incentive 3010	-	-	-	-	10,585	-	-	-	-
Reorganization Incentive 3015	-	-	-	-	6,248	-	-	-	-
Reorganization Incentive 3020	-	-	-	-	63,216	-	-	-	-
Education Fax. Tuition 3100	14,490	-	-	-	-	43,088	-	-	1,213
Education Extraordinary 3105	48,046	-	-	-	35,656	120,306	74,533	-	162,081
Education Personnel 3110	55,746	-	-	-	36,002	114,702	65,695	-	139,964
Special Education - Orphanage	51,188	-	-	-	-	-	6,318	-	125,923
Orphanage Group 3130	-	-	-	-	-	-	-	-	42,526
Education Summer School 3145	-	-	-	-	-	-	1,501	-	2,484
Vocational Education 3235	-	-	-	-	-	2,133	-	-	2,919
Bilingual Education 3305	-	-	-	-	-	-	-	-	-
Illinois Free Lunch 3360	777	-	-	-	790	3,180	3,642	-	1,508
Driver Education 3370	-	-	-	-	-	8,501	-	-	12,582
Transportation Regular 3500	122,997	-	-	-	48,532	149,984	-	-	274,841
Transportation Special Education 3510	88,844	-	-	-	6,380	143,530	15,965	-	62,947
Truants Alternative Education 3695	-	-	-	-	-	-	-	-	-
Regional Safe Schools 3696	-	-	-	-	-	-	-	-	-
Early Childhood Block Grant 3705	46,725	-	-	-	56,240	104,877	88,720	-	-
ROE/ISC Operations 3730	-	-	-	-	-	-	-	-	-
Fresh Fruits and Vegetables 4240	-	-	-	-	-	-	-	-	-
National School Lunch 4210	26,133	-	-	-	38,141	139,607	157,391	-	128,438
Lunch, Breakfast and Milk 4215	-	-	-	-	-	-	-	-	-
Breakfast Program 4220	9,352	-	-	-	7,661	40,852	42,660	-	-
Title I Delinquent 4306	-	-	-	-	-	-	-	-	30,979
Summer Food 4225	-	-	-	-	-	-	-	-	-
Title I 4300	73,986	-	-	-	-	106,764	104,697	-	41,755
21st Century Community Learning 4421	-	-	-	-	-	-	-	-	-
Education Room & Board 4625	72,451	-	-	-	-	-	-	-	-
Title III Language 4909	-	-	-	-	-	-	-	-	-
Renovation IDEA & Tech 4932	11,971	-	-	-	16,636	33,933	44,819	-	20,481
Title II Leadership Grant 4935	-	-	-	-	-	-	-	-	-
Math and Science 4936	-	-	-	-	-	-	-	-	-
School Facility Occupation Tax	-	726	244	13,759	-	-	40,321	84	82,997
Other	-	-	-	-	-	-	-	-	-
Totals	\$ 841,233	\$ 726	\$ 244	\$ 13,759	\$ 819,864	\$ 2,489,507	\$ 2,296,685	\$ 84	\$ 3,066,644

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2014

SCHEDULE 10
(CONTINUED)

<u>Program</u>	<u>Galva</u> <u>CUSD #224</u>	<u>AIWood</u> <u>CUSD #225</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>	<u>Wethersfield</u> <u>CUSD #230</u>
General State Aid 3001	\$ 1,668,420	\$ -	\$ 692,954	\$ 1,364,238	\$ 5,020,197	\$ 9,114,179	\$ 2,063,148
Reorganization Incentive 3010	-	-	-	-	-	50,925	-
Reorganization Incentive 3015	-	-	-	-	-	72,028	-
Reorganization Incentive 3020	-	-	-	-	-	424,951	-
Education Fax, Tuition 3100	-	-	15,872	-	-	7,796	-
Education Extraordinary 3105	92,942	-	57,733	76,164	409,248	325,574	106,014
Education Personnel 3110	48,892	-	27,046	52,728	227,407	98,560	31,928
Special Education - Orphanage	76,205	-	-	-	1,889	16,810	1,237
Orphanage Group 3130	-	-	-	-	-	-	-
Education Summer School 3145	-	-	-	-	-	-	-
Vocational Education 3235	2,671	-	2,319	1,656	1,449	1,698	1,573
Bilingual Education 3305	-	-	-	-	-	35,857	-
Illinois Free Lunch 3360	2,095	-	684	1,766	5,009	15,366	2,276
Driver Education 3370	4,068	-	5,487	4,411	32,640	18,290	8,037
Transportation Regular 3500	85,899	-	82,644	90,863	919,625	453,704	84,288
Transportation Special Education 3510	166,346	-	54,182	66,307	375,509	149,326	54,371
Truants Alternative Education 3695	-	-	-	-	-	-	-
Regional Safe Schools 3696	-	-	-	-	-	-	-
Early Childhood Block Grant 3705	112,626	-	88,120	64,372	141,035	315,087	110,390
ROE/ISC Operations 3730	-	-	-	-	-	-	-
Fresh Fruits and Vegetables 4240	-	-	-	-	-	5,870	-
National School Lunch 4210	123,834	-	52,203	85,622	293,562	639,747	105,344
Lunch, Breakfast and Milk 4215	684	-	-	1,115	-	-	-
Breakfast Program 4220	9,071	-	-	24,643	65,234	203,769	21,592
Title I Delinquent 4306	-	-	-	-	-	-	-
Summer Food 4225	-	-	-	-	-	44,309	-
Title I 4300	80,497	-	32,789	65,135	165,101	627,612	170,602
21st Century Community Learning 4421	-	-	-	-	-	-	-
Education Room & Board 4625	-	-	49,075	-	-	82,860	-
Title III Language 4909	-	-	-	-	-	22,371	-
Renovation IDEA & Tech 4932	18,552	-	14,424	26,448	52,731	108,970	29,929
Title II Leadership Grant 4935	-	-	-	-	-	-	-
Math and Science 4936	-	-	-	-	-	-	-
School Facility Occupation Tax	46,475	33,037	27,854	41,460	210,924	149,636	50,931
Other	-	-	-	-	-	-	-
Totals	\$ 2,539,277	\$ 33,037	\$ 1,203,386	\$ 1,966,928	\$ 7,921,560	\$ 12,985,295	\$ 2,841,660

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2014

SCHEDULE 10
(CONTINUED)

<u>Program</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	\$ -	\$ 688,343	\$ 81,201	\$ 26,466,463
Reorganization Incentive 3010	-	-	-	61,510
Reorganization Incentive 3015	-	-	-	78,276
Reorganization Incentive 3020	-	-	-	488,167
Education Fax. Tuition 3100	-	284	-	82,743
Education Extraordinary 3105	-	89,696	-	1,597,993
Education Personnel 3110	-	143,822	-	1,042,492
Special Education - Orphanage	-	6,318	-	285,888
Orphanage Group 3130	-	-	-	42,526
Education Summer School 3145	-	-	-	3,985
Vocational Education 3235	-	580	-	16,998
Bilingual Education 3305	-	-	-	35,857
Illinois Free Lunch 3360	-	1,278	-	38,371
Driver Education 3370	-	21,022	-	115,038
Transportation Regular 3500	-	3,034	-	2,316,411
Transportation Special Education 3510	-	39,047	-	1,222,754
Truants Alternative Education 3695	-	-	72,852	72,852
Regional Safe Schools 3696	-	-	71,168	71,168
Early Childhood Block Grant 3705	-	-	445,841	1,574,033
ROE/ISC Operations 3730	-	-	31,134	31,134
Fresh Fruits and Vegetables 4240	-	-	-	5,870
National School Lunch 4210	-	73,584	-	1,863,606
Lunch, Breakfast and Milk 4215	-	-	-	1,799
Breakfast Program 4220	-	11,637	-	436,471
Title I Delinquent 4306	-	-	-	30,979
Summer Food 4225	-	-	-	44,309
Title I 4300	-	73,101	-	1,542,039
21st Century Community Learning 4421	-	-	1,518,503	1,518,503
Education Room & Board 4625	-	-	-	204,386
Title III Language 4909	-	-	-	22,371
Renovation IDEA & Tech 4932	-	17,799	-	396,693
Title II Leadership Grant 4935	-	-	7,875	7,875
Math and Science 4936	-	-	163,525	163,525
School Facility Occupation Tax	-	-	-	698,448
Other	-	-	201	201
Totals	\$ -	\$ 1,169,545	\$ 2,392,300	\$ 42,581,734

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2014

Federal Grantor/Pass- Through Grantor, Program or Cluster Title	CFDA Number	Project Number (1st 8 digits) or Contract #	Federal Expenditures June 30, 2014
U.S. Department of Education:			
Rural Education			
Rural Education Achievement Award	84.358A	S358A135329	\$ 20,000
U.S. Department of Education passed through			
Illinois State Board of Education:			
Twenty-First Century Community Learning Centers			
Twenty-First Century Community Learning Centers	84.287C	13-4421-10	27,898
Twenty-First Century Community Learning Centers	84.287C	14-4421-10	90,282
Twenty-First Century Community Learning Centers	84.287C	13-4421-12	56,950
Twenty-First Century Community Learning Centers	84.287C	14-4421-12	339,835
Twenty-First Century Community Learning Centers	84.287C	13-4421-13	138,931
Twenty-First Century Community Learning Centers	84.287C	14-4421-13	806,860
(M)Total Twenty-First Century Community Learning Centers			<u>1,460,756</u>
Mathematics and Science Partnerships			
Mathematics and Science Partnerships	84.366B	13-4936-40	39,843
Mathematics and Science Partnerships	84.366B	13-4936-41	19,820
Total Mathematics and Science Partnerships			<u>59,663</u>
Improving Teacher Quality State Grants			
Title II Teacher Quality Leadership	84.367A	13-4935-02	2,100
Title II Teacher Quality Leadership	84.367A	14-4935-02	3,150
Total Title II Teacher Quality Leadership			<u>5,250</u>
U.S. Department of Education passed through			
Lee/Ogle Counties Regional Office of Education No. 47:			
Education for Homeless Children and Youth			
McKinney Education for Homeless Children	84.196A	13-4920-00	13,454
U.S. Department of Education passed through			
Boone/Winnebago Counties Regional Office of Education No. 4:			
Title I - Grants to Local Educational Agencies			
Title I - School Improvement (SSOS)	84.010A	13-4331-SS	13,494
Total U.S. Department of Education			<u>1,572,617</u>
U. S. Department of Labor passed through			
Business Employment Skills Team, Inc.:			
Workforce Investment Act (WIA) Youth Activities			
WIA - Bureau County Step Ahead Program	17.259	11-001	35,429
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,608,046</u>

(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, 2014**

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 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.