

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, 2015

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

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

	PAGE
OFFICIALS	1
COMPLIANCE REPORT SUMMARY	2
FINANCIAL STATEMENT REPORT SUMMARY	4
 FINANCIAL SECTION	
Independent Auditors' Report	5
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 <i>Government Auditing Standards</i>	8
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133	10
Schedule of Findings and Questioned Costs	13
Corrective Action Plan for Current Year Audit Findings	25
Summary Schedule of Prior Audit Findings	30
Management's Discussion and Analysis	31
BASIC FINANCIAL STATEMENTS	41
 EXHIBIT	
Government-wide Financial Statements:	
Statement of Net Position	A..... 42
Statement of Activities	B..... 43
Fund Financial Statements:	
Governmental Funds - Balance Sheet	C..... 44
Governmental Funds - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D..... 45
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	E..... 46
Governmental Funds - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F..... 47
Fiduciary Funds - Statement of Fiduciary Net Position	G..... 48

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
TABLE OF CONTENTS (CONTINUED)**

	PAGE
Notes to Financial Statements	49
REQUIRED SUPPLEMENTARY INFORMATION	73
Illinois Municipal Retirement Fund - Schedule of Changes in the Net Pension Asset and Related Ratios	74
Illinois Municipal Retirement Fund - Schedule of Employer Contributions	75
SUPPLEMENTARY INFORMATION	76
	SCHEDULE
General Fund Accounts:	
Combining Schedule of Accounts.....	1.....77
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	2.....80
Education Fund Accounts:	
Combining Schedule of Accounts.....	3.....83
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	4.....86
Education Fund Accounts - Budgetary Comparison Schedule.....	5.....89
Nonmajor Special Revenue Funds:	
Combining Balance Sheet.....	6.....95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	7.....96
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position - Agency Funds.....	8.....97
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	9.....98
Schedule of Disbursements to School District Treasurers and Other Entities	10.....99
FEDERAL COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards	11.....102
Notes to the Schedule of Expenditures of Federal Awards	103

**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	5	3
Repeated audit findings	2	2
Prior recommendations implemented or not repeated	1	2

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

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

2015-001	14	Controls Over Financial Statement Preparation	Material Weakness
2015-002	16	Controls Over Fund Accounting	Material Weakness
2015-003	18	Inadequate Controls Over Payroll	Significant Deficiency
2015-004	20	Inadequate Controls Over Disbursements	Material Weakness and Noncompliance

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

2015-003	18	Inadequate Controls Over Payroll	Significant Deficiency
2015-004	20	Inadequate Controls Over Disbursements	Material Weakness and Noncompliance
2015-005	22	Untimely Expenditure Report	Noncompliance

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

COMPLIANCE REPORT SUMMARY (CONTINUED)

PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

2014-002	30	Inadequate Segregation of Assets, Liabilities and Fund Balances	Material Weakness
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PRIOR AUDIT FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

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, 2015. 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 on July 26, 2016.

**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 Frank J. Mautino
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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Note 15, Bureau/Henry/Stark Counties Regional Office of Education No. 28 adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund - Schedule of Changes in the Net Pension Asset and Related Ratios and Illinois Municipal Retirement Fund - Schedule of Employer Contributions on pages 32 through 40 and 74 through 75 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, the 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, the 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, the 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 August 17, 2016 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
August 17, 2016

**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 Frank J. Mautino
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, 2015, 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 August 17, 2016.

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 2015-001, 2015-002, and 2015-004 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 2015-003 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2015-004.

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
August 17, 2016

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

Honorable Frank J. Mautino
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, 2015. 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, 2015.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-004 and 2015-005. Our opinion on each major federal program is not modified with respect to these matters.

Bureau/Henry/Stark Counties Regional Office of Education No. 28's responses to the noncompliance 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 compliance and, accordingly, we express no opinion on the responses.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2015-004 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2015-003 to be a significant deficiency.

Bureau/Henry/Stark Counties Regional Office of Education No. 28's responses to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the responses.

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
August 17, 2016

**BUREAU/HENRY/STARK COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 28
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 SECTION I - SUMMARY OF AUDITORS' RESULTS
 Year Ended June 30, 2015**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.287C</u>	<u>Twenty-First Century Community Learning Centers</u>
<u>84.336B</u>	<u>Mathematics and Science Partnerships</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? yes x no

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2015**

FINDING 2015-001 - Controls Over Financial Statement Preparation (Repeat of findings 14-001, 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.

GASB Statements No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, require governments to record and present net accrued pension assets and liabilities, deferred outflows of resources, deferred inflows of resources, and pension expenses. These standards further prescribe the methods and assumptions that are to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of service.

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.

**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, 2015**

FINDING 2015-001 - Controls Over Financial Statement Preparation (Repeat of findings 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1)(Continued)

Condition (continued):

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, including those required under GASB Statements No. 34, No. 68 and No. 71, were proposed in order to ensure those balances were 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.

Cause:

Management did not effectively detect all of the material adjustments, including those required under GASB Statements No. 34, No. 68 and No. 71, 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, 2015**

FINDING 2015-002 - Controls Over Fund Accounting

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 did not ensure all holding accounts were cleared out, individual funds were self-balanced, and opening fund balance amounts agreed to the prior period closing fund balance amounts. Auditors specifically noted the following:

- Trial balance reports initially provided to auditors were not balanced in total. Additionally, the individual funds were not self-balancing.
- Trial balance reports initially provided to auditors had unallocated balances in holding accounts and opening fund balance amounts did not agree to June 30, 2014 closing fund balance amounts. The Regional Office of Education No. 28 uses holding accounts for asset, liability, and fund balance accounts. Some transactions are initially posted to the holding accounts and subsequently allocated to financial statement accounts.

Effect:

Lack of proper fund accounting may inhibit the Regional Office of Education No. 28 from tracking specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. In addition, the Regional Office is unable to prepare financial statements in accordance with GAAP.

Cause:

The Regional Office of Education No. 28 recently purchased a new accounting software package which provides the reporting features required for proper fund accounting. The Regional Office of Education No. 28 is still in the process of transitioning to the new software and is making adjustments with the assistance of the software vendors as deficiencies are noted.

**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, 2015**

FINDING 2015-002 - Controls Over Fund Accounting (Continued)

Auditors' Recommendation:

The Regional Office of Education No. 28 should assign a member of management with suitable skills, knowledge, and experience to review its trial balance reports at regular intervals throughout the year. The Regional Office of Education No. 28 should ensure all holding accounts are cleared out, individual funds are self-balanced, and opening fund balance amounts agree to the prior period closing fund balance amounts.

Management's Response:

The Regional Office of Education #28 acquired accounting software that will produce trial balances. The transition continues in order to meet the specific needs of the ROE. Most recently, the system has been programmed to designate revenues and expenditures to the proper cash, liability, revenue, and fund balance accounts.

**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, 2015**

FINDING 2015-003 - Inadequate Controls Over Payroll (Repeat of finding 14-003)

Federal Program Name: Twenty-First Century Community Learning Centers

Project No.: 14-4421-13, 15-4421-13

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 18 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:

N/A

Context:

Total salary and benefits expended during the fiscal period totaled \$458,629 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, 2015**

FINDING 2015-003 - Inadequate Controls Over Payroll (Repeat of finding 14-003)
(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 II - FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2015**

FINDING 2015-004 - Inadequate Controls Over Disbursements

Federal Program Name: Twenty-First Century Community Learning Centers

Project No.: 14-4421-13, 15-4421-13, 15-4421-15, 15-4421-25

CFDA No.: 84.287C

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Federal Program Name: Mathematics and Science Partnerships

Project No.: 15-4936-LP

CFDA No.: 84.366B

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 disbursements to prevent errors and fraud.

Condition:

- For 2 of 50 expenditures tested, costs incurred for rent and payroll administration fees were not being allocated consistently among the Regional Office of Education's funds which include other state and federal grant programs. Additionally, review of expenditure detail indicated other similar shared expenses including postage meter rental and copier charges were not allocated consistently.
- For 2 of 50 expenditures tested, contractual services totaling \$60,000 were paid prior to obtaining formal verification from the vendor that the percentage paid was comparable to progress on the contract. Both expenditures related to the same contract which was signed by both the contractor and the Regional Superintendent; however, the contract was lacking the date of the Regional Superintendent's signature.

**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, 2015**

FINDING 2015-004 - Inadequate Controls Over Disbursements (Continued)

Questioned Costs:

N/A

Context:

- Costs charged to Twenty-First Century Community Learning Centers programs for rent, payroll administration fees, postage meter rental, and copier charges totaled \$4,148 for fiscal year 2015. Costs charged to Mathematics and Science Partnerships for rent totaled \$7,500 for fiscal year 2015.
- The total amount for the contractual service agreement was \$100,000 and included service dates beginning April 10, 2015 through October 31, 2015.

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. Granting agencies may request reimbursement of unsupported expenditures.

Cause:

The Regional Office of Education No. 28 did not have proper internal controls in place to ensure disbursements were properly authorized and allocated among the Regional Office of Education's funds.

Auditors' Recommendation:

The Regional Office of Education No. 28 should establish internal control procedures to ensure disbursements are properly authorized and allocated among the Regional Office of Education's funds.

Management's Response:

A cost allocation plan will be developed for indirect costs. All contractual agreements will have proper dates.

**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, 2015**

FINDING 2015-005 - Untimely Expenditure Report

Federal Program Name: Twenty-First Century Community Learning Centers

Project No.: 15-4421-13

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 submitting timely expenditure reports to granting agencies.

Condition:

Quarterly expenditure reports are due to the Illinois State Board of Education (ISBE) 20 calendar days following the end of the period. The first quarterly expenditure report for the Twenty-First Century Community Learning Centers project number 15-4421-13 was submitted 8 days late.

Questioned Costs:

N/A

Context:

1 of 13 reports required for the Twenty-First Century Community Learning Centers project submitted was late. The amount reported for the untimely expenditure report totaled \$42,647.

Effect:

Failure to file the required reports results in a breach of the grant agreement and allows ISBE to withhold current and future payments until the reports are properly filed.

Cause:

The Regional Office of Education No. 28 unintentionally submitted the report late.

**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, 2015**

FINDING 2015-005 - Untimely Expenditure Report (Continued)

Auditors' Recommendation:

The Regional Office of Education No. 28 should ensure expenditure reports are filed timely to granting agencies.

Management's Response:

The Regional Office of Education will submit timely expenditure reports.

**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, 2015**

Instances of Noncompliance:

FINDING 2015-004 - Inadequate Controls Over Disbursements (finding details on pages 20 and 21)

FINDING 2015-005 - Untimely Expenditure Report (finding details on pages 22 and 23)

Significant Deficiencies:

FINDING 2015-003 - Inadequate Controls Over Payroll (finding details on pages 18 and 19)

Material Weaknesses:

FINDING 2015-004 - Inadequate Controls Over Disbursements (finding details on pages 20 and 21)

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2015**

FINDING 2015-001 - Controls Over Financial Statement Preparation (Repeat of findings 14-001, 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, including those required under GASB Statements No. 34, No. 68 and No. 71, were proposed in order to ensure those balances were 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, 2015**

FINDING 2015-002 - Controls Over Fund Accounting

Condition:

The Regional Office of Education No. 28 did not ensure all holding accounts were cleared out, individual funds were self-balanced, and opening fund balance amounts agreed to the prior period closing fund balance amounts. Auditors specifically noted the following:

- Trial balance reports initially provided to auditors were not balanced in total. Additionally, the individual funds were not self-balancing.
- Trial balance reports initially provided to auditors had unallocated balances in holding accounts and opening fund balance amounts did not agree to June 30, 2014 closing fund balance amounts. The Regional Office of Education No. 28 uses holding accounts for asset, liability, and fund balance accounts. Some transactions are initially posted to the holding accounts and subsequently allocated to financial statement accounts.

Plan:

The Regional Office of Education #28 acquired accounting software that will produce trial balances. The transition continues in order to meet the specific needs of the ROE. Most recently, the system has been programmed to designate revenues and expenditures to the proper cash, liability, revenue, and fund balance accounts.

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, 2015**

FINDING 2015-003 - Inadequate Controls Over Payroll (Repeat of finding 14-003)

Condition:

For 1 of 18 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.

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
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2015**

FINDING 2015-004 - Inadequate Controls Over Disbursements

Condition:

- For 2 of 50 expenditures tested, costs incurred for rent and payroll administration fees were not being allocated consistently among the Regional Office of Education's funds which include other state and federal grant programs. Additionally, review of expenditure detail indicated other similar shared expenses including postage meter rental and copier charges were not allocated consistently.
- For 2 of 50 expenditures tested, contractual services totaling \$60,000 were paid prior to obtaining formal verification from the vendor that the percentage paid was comparable to progress on the contract. Both expenditures related to the same contract which was signed by both the contractor and the Regional Superintendent; however, the contract was lacking the date of the Regional Superintendent's signature.

Plan:

A cost allocation plan will be developed for indirect costs. All contractual agreements will have proper dates.

Anticipated Completion Date:

September 2016

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, 2015**

FINDING 2015-005 - Untimely Expenditure Report

Condition:

Quarterly expenditure reports are due to the Illinois State Board of Education (ISBE) twenty calendar days following the end of the period. The first quarterly expenditure report for the Twenty-First Century Community Learning Centers project number 15-4421-13 was submitted 8 days late.

Plan:

The Regional Office of Education will submit timely expenditure reports.

Anticipated Completion Date:

Ongoing

Contact Person Responsible for Corrective Action:

Ms. Angela Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2015**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
2014-001	Controls Over Financial Statement Preparation	Repeated
2014-002	Inadequate Segregation of Assets, Liabilities and Fund Balances	Resolved
2014-003	Inadequate Controls Over Payroll	Repeated

Management's Discussion and Analysis

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

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, 2015. Readers are encouraged to consider this information in conjunction with the Regional Office of Education No. 28's financial statements which follow:

2015 Financial Highlights

General Fund revenues decreased from \$826,120 in fiscal year 2014 to \$817,831 in fiscal year 2015. General Fund expenditures also decreased from \$802,789 in fiscal year 2014 to \$791,465 in fiscal year 2015. The decreases were mostly attributable to a decrease in General State Aid and a decrease in fee for service programs.

Education Fund revenues increased from \$2,279,980 in fiscal year 2014 to \$2,367,841 in fiscal year 2015. Education Fund expenditures also increased from \$2,282,813 in fiscal year 2014 to \$2,449,139 in fiscal year 2015. The increases were mostly attributable to the Education Fund being primarily made up of grants the Regional Office receives and this can vary greatly from year to year as some programs are discontinued while others see a funding increase.

Government-wide revenues increased by approximately 5% from \$3,133,596 in fiscal year 2014 to \$3,304,667 in fiscal year 2015. Government-wide expenses increased by approximately 3% from \$3,149,260 in fiscal year 2014 to \$3,249,196 in fiscal year 2015.

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, 2015**

Required Supplementary Information further explains and supports the financial statements with information about the pension asset/liability and relating contributions.

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 - is 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, 2015**

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, 2015**

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 2015 and 2014 totaled \$1,503,658 and \$1,355,397 (not restated), respectively. The analysis that follows provides a summary of the Regional Office of Education No. 28's net position as of June 30.

<u>2015</u>	Governmental <u>Activities</u>
Current assets	\$ 1,563,994
Non-current assets	<u>76,622</u>
Total assets	<u>1,640,616</u>
 Deferred outflows of resources	 <u>94,036</u>
Current liabilities	107,957
Non-current liabilities	<u>78,109</u>
Total liabilities	<u>186,066</u>
 Deferred inflows of resources	 <u>44,928</u>
Net position	
Net investment in capital assets	31,475
Unrestricted	1,232,070
Restricted - other	<u>240,113</u>
 Total net position	 <u>\$ 1,503,658</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

<u>2014 (not restated)</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 - other	<u>168,108</u>
 Total net position	 <u>\$ 1,355,397</u>

The Regional Office of Education No. 28's net position increased by \$148,261 (11%) from fiscal year 2014 (not restated). The increase was primarily due to an increase related to the timing of grant revenues and expenses.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

Changes in net position. The following shows the changes in net position for the years ended June 30, 2015 and 2014.

<u>2015</u>	<u>Governmental Activities</u>
Revenues:	
Program revenues	
Charges for services	\$ 37,658
Operating grants and contributions	2,445,479
General revenues	
Local sources	200,430
State sources	67,059
On-behalf payments	<u>554,041</u>
Total revenues	<u>3,304,667</u>
Expenses:	
Education	
Salaries and benefits	955,729
Pension expense	52,753
Purchased services	486,382
Supplies and materials	137,957
Payments to other governments	1,010,619
Other objects	20,793
Capital outlay	18,574
Depreciation	12,348
Administrative	
On-behalf payments	548,135
On-behalf payments - pension expense	<u>5,906</u>
Total expenses	<u>3,249,196</u>
Change in net position	55,471
Net position, beginning, as restated	<u>1,448,187</u>
Net position, ending	<u>\$ 1,503,658</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

	Governmental Activities
<u>2014 (not restated)</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, 2015**

Governmental Activities

Revenues for governmental activities were \$3,304,667 and \$3,133,596 and expenses were \$3,249,196 and \$3,149,260 for 2015 and 2014, 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 \$1,375,655, below last year's ending combined fund balances of \$1,402,813.

Governmental Fund Highlights

The General Fund fund balance increased from \$1,234,705 in 2014 to \$1,261,071 in 2015. The increase was mostly attributable to revenue from fee for service activities.

The Education Fund fund balance decreased from \$67,074 in 2014 to \$(14,224) in 2015. The Education Fund being primarily made up of grants the Regional Office receives and this can vary greatly from year to year as some programs are discontinued while others see a funding increase.

Fiduciary Fund Highlights

Fiduciary funds increased when compared to the prior year. Total assets and liabilities increased from \$595,738 in fiscal year 2014 to \$608,889 in fiscal year 2015. Transactions during fiscal year 2015 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, 2015**

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 2015, total additions and retirements amounted to \$16,894 and \$0, respectively. Depreciation expense for fiscal year 2015 was \$12,348. The net investment in capital assets as of June 30, 2015 was \$31,475. Additional information on Bureau/Henry/Stark Counties Regional Office of Education No. 28's capital assets can be found in Note 6 on page 63 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:

- Uncertainty and timing of state funding
- Ability to acquire grant funding
- Revenue/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 2015 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, 2015

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 541,019
Accounts receivable	28,801
Due from other governments	994,174
Total current assets	1,563,994
Non-current assets:	
Capital assets, being depreciated, net	31,475
Net pension asset	45,147
Total non-current assets	76,622
Total assets	1,640,616
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	94,036
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	3,684
Due to other governments	84,321
Unearned revenue	19,952
Total current liabilities	107,957
Non-current liabilities:	
Compensated absences	78,109
Total liabilities	186,066
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	44,928
NET POSITION	
Net investment in capital assets	31,475
Unrestricted	1,232,070
Restricted - other	240,113
Total net position	\$ 1,503,658

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, 2015**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues</u>
		<u>Charges for</u>	<u>Operating</u>	<u>and Changes in Net Position</u>
		<u>Services</u>	<u>Grants and</u>	<u>Primary Government</u>
			<u>Contributions</u>	<u>Governmental</u>
				<u>Activities</u>
Primary government:				
Governmental activities:				
Education:				
Salaries and benefits	\$ 955,729	\$ 3,013	\$ 1,004,163	\$ 51,447
Pension expense	52,753	-	-	(52,753)
Purchased services	486,382	34,268	416,360	(35,754)
Supplies and materials	137,957	377	122,459	(15,121)
Payments to other governments	1,010,619	-	857,212	(153,407)
Other objects	20,793	-	20,793	-
Capital outlay	18,574	-	24,492	5,918
Depreciation	12,348	-	-	(12,348)
Administrative:				
On-behalf payments	548,135	-	-	(548,135)
On-behalf payments - pension expense	5,906	-	-	(5,906)
Total governmental activities	<u>\$ 3,249,196</u>	<u>\$ 37,658</u>	<u>\$ 2,445,479</u>	<u>(766,059)</u>
General revenues:				
Local sources				200,430
State sources				67,059
On-behalf payments				554,041
Total general revenue				<u>821,530</u>
CHANGE IN NET POSITION				55,471
NET POSITION, BEGINNING OF YEAR, AS RESTATED (See Note 15)				<u>1,448,187</u>
NET POSITION, END OF YEAR				<u>\$ 1,503,658</u>

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

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2015

		Special Revenue		
	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 326,235	\$ 86,134	\$ 128,650	\$ 541,019
Accounts receivable	-	28,555	246	28,801
Due from other governments	8,426	985,748	-	994,174
Due from other funds	927,111	-	-	927,111
Total assets	1,261,772	1,100,437	128,896	2,491,105
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,261,772	\$ 1,100,437	\$ 128,896	\$ 2,491,105
LIABILITIES				
Accounts payable and accrued expenses	\$ 526	\$ 3,070	\$ 88	\$ 3,684
Due to other governments	-	84,321	-	84,321
Due to other funds	175	926,936	-	927,111
Unearned revenue	-	19,952	-	19,952
Total liabilities	701	1,034,279	88	1,035,068
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	80,382	-	80,382
FUND BALANCE (DEFICIT)				
Restricted	-	67,947	128,808	196,755
Assigned	344,032	-	-	344,032
Unassigned	917,039	(82,171)	-	834,868
Total fund balance (deficit)	1,261,071	(14,224)	128,808	1,375,655
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 1,261,772	\$ 1,100,437	\$ 128,896	\$ 2,491,105

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, 2015

Total fund balance of governmental funds (page 44)	\$ 1,375,655
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.	<u>31,475</u>
Non-current assets related to pension benefits are collected but are not payable in the current period and, therefore, are not reported in the governmental funds. Net pension asset	<u>45,147</u>
Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	<u>80,382</u>
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:	
Deferred outflows of resources	94,036
Deferred inflows of resources	<u>(44,928)</u>
	<u>49,108</u>
Non-current liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Compensated absences	<u>(78,109)</u>
Net position of governmental activities (page 42)	<u><u>\$ 1,503,658</u></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, 2015

	<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	\$ 123,804	\$ 76,626	\$ 37,658	\$ 238,088
State sources	77,396	633,277	955	711,628
Federal sources	62,590	1,657,938	-	1,720,528
On-behalf payments	554,041	-	-	554,041
Total revenues	<u>817,831</u>	<u>2,367,841</u>	<u>38,613</u>	<u>3,224,285</u>
EXPENDITURES:				
Education:				
Salaries and benefits	4,116	947,020	829	951,965
Pension expense	145	54,013	60	54,218
Purchased services	56,456	420,081	9,845	486,382
Supplies and materials	17,491	120,361	105	137,957
Payments to other governments	149,402	861,217	-	1,010,619
Other objects	-	20,793	-	20,793
On-behalf payments	548,135	-	-	548,135
On-behalf payments - pension expense	5,906	-	-	5,906
Capital outlay	9,814	25,654	-	35,468
Total expenditures	<u>791,465</u>	<u>2,449,139</u>	<u>10,839</u>	<u>3,251,443</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	26,366	(81,298)	27,774	(27,158)
FUND BALANCE, BEGINNING OF YEAR	<u>1,234,705</u>	<u>67,074</u>	<u>101,034</u>	<u>1,402,813</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 1,261,071</u>	<u>\$ (14,224)</u>	<u>\$ 128,808</u>	<u>\$ 1,375,655</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, 2015**

Net change in fund balance (page 46)		\$ (27,158)
<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		16,894
Depreciation		(12,348)
		4,546
<p>Some receivables will not be collected for several months after fiscal year end, so they are not considered as "available" revenues in the governmental funds, and they are instead counted as deferred revenues. They are, however, recorded as revenues in the Statement of Activities.</p>		
		80,382
<p>The current year pension contributions are reported as expenditures in the governmental funds, but are reported as deferred outflow of resources in the Statement of Net Position.</p>		
		33,050
<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>		
Compensated absences		(5,264)
Net OPEB obligation		1,500
Pension expense		(31,585)
		(35,349)
Change in net position of governmental activities (page 43)		\$ 55,471

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, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 74,056
Due from other governments	<u>534,833</u>
TOTAL ASSETS	<u>\$ 608,889</u>
LIABILITIES	
Due to other governments	<u>\$ 608,889</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, 2015**

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, 2015**

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, 2015**

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, 2015**

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, 2015**

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, 13, 15, 25) - 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.

Illinois Math and Science Partnership Project LP - A collaborative effort between the Regional Office of Education No. 28, Illinois State University, and Kewanee CUSD #229 to lead a statewide network that provides math and science professional development through a train-the-trainer model.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

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 and renewal of teachers' licenses. 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, 2015**

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, 2015**

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.

Deferred outflows of resources - Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Unearned revenue - Unearned revenue arises when proceeds have been received but will be spent in a succeeding fiscal year.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions - For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement System (IMRF) and additions to/deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Deferred inflows of resources - Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. 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 in the Statement of Net Position relate to pensions and consist of the unamortized portion of the net difference between expected and actual experience, changes of assumptions, and the net difference between projected and actual earnings on pension plan investments.

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, 21st Century Community Learning Centers Project 15, 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.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Unassigned Fund Balance - Available expendable resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the following: Local, Interest Office Expense, General State Aid, District Services, Registration, Bureau County Step Ahead, 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, ISU Math and Science Partnership, and Illinois Math and Science Partnership Project LP.

Net position

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

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

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

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

Interfund Activity

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

Bureau/Henry/Stark Counties Regional Office of Education No. 28 did not formally adopt a budget for the year ended June 30, 2015 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 13, 21st Century Community Learning Centers Project 15, 21st Century Community Learning Centers Project 25, Early Childhood Block Grant Pre-K and Parental Training, Early Childhood Block Grant Prevention Initiative and Parental Training, Illinois Math and Science Partnership Project LP, Title II Teacher Quality Leadership, and Regional Safe Schools.

Revenue from Federal and State Grants

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

Interest Revenue

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

Compensated Absences

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through August 17, 2016, the date the financial statements were available to be issued.

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 \$615,075 at June 30, 2015, while the bank balance was \$1,563,705. Included in the bank balance is \$69,041 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.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

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, 2015, \$319,041 of the deposits made by the Regional Office of Education No. 28 were covered by the Federal Depository Insurance Corporation (FDIC), and \$1,244,664 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, 2015, 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.

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 is as follows:

	Carrying Amount
Cash - Primary Government	\$ 541,019
Cash - Agency Funds	<u>74,056</u>
Total	<u>\$ 615,075</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.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

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	\$	8,426
Education Fund		
Illinois State Board of Education		985,748
Agency Funds		
Local governments		<u>534,833</u>
Total		<u>\$ 1,529,007</u>

Due To Other Governments

Education Fund		
Local governments	\$	84,321
Agency Funds		
Local governments		<u>608,889</u>
Total		<u>\$ 693,210</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, 2015 were:

	<u>Due From</u>	<u>Due To</u>
General Fund		
Local	\$ 57,000	\$ -
General State Aid	317,970	-
Language Arts	29,947	-
Lab Tech	92,000	-
District Services	430,194	-
Registration	-	175
Education Fund		
Bureau County Step Ahead	-	3,490
Henry County Step Ahead	-	23,985
21st Century Community Learning Centers Project 10	-	103
21st Century Community Learning Centers Project 13	-	285,081
21st Century Community Learning Centers Project 15	-	116,069
21st Century Community Learning Centers Project 25	-	178,947

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 5 - DUE FROM/TO OTHER FUNDS (CONTINUED)

	<u>Due From</u>	<u>Due To</u>
WIU Math and Science Partnership	\$ -	\$ 249
ISU Math and Science Partnership	-	249
Illinois Math and Science Partnership Project LP	-	317,970
Title II Teacher Quality Leadership	-	793
Total	<u>\$ 927,111</u>	<u>\$ 927,111</u>

NOTE 6 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2015 is as follows:

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Governmental Funds:				
Furniture and equipment	\$ 108,543	\$ 16,894	\$ -	\$ 125,437
Less: accumulated depreciation	<u>(81,614)</u>	<u>(12,348)</u>	<u>-</u>	<u>(93,962)</u>
Capital assets, net	<u>\$ 26,929</u>	<u>\$ 4,546</u>	<u>\$ -</u>	<u>\$ 31,475</u>

Depreciation expense was charged as follows:

Governmental activities:

Education:

Depreciation \$ 12,348

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, 2015, the balance in this account was \$78,109.

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Governmental Funds:	<u>\$ 72,845</u>	<u>\$ 51,111</u>	<u>\$ 45,847</u>	<u>\$ 78,109</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 8 - EMPLOYEE BENEFIT PLAN

Illinois Municipal Retirement System

IMRF Plan Description

Bureau/Henry/Stark Counties 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. Bureau/Henry/Stark Counties Regional Office of Education No. 28's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser of*:

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 8 - EMPLOYEE BENEFIT PLAN (CONTINUED)

Employees Covered by Benefit Terms

As of December 31, 2014, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	4
Inactive Plan Members entitle to but not yet receiving benefits	21
Active Plan Members	24
Total	49

Contributions

As set by statute, Bureau/Henry/Stark Counties Regional Office of Education No. 28's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. Bureau/Henry/Stark Counties Regional Office of Education No. 28's annual contribution rate for calendar year 2014 was 8.14%. For the calendar year ended 2014, Bureau/Henry/Stark Counties Regional Office of Education No. 28 contributed \$59,476 to the plan. Bureau/Henry/Stark Counties 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Asset

Bureau/Henry/Stark Counties Regional Office of Education No. 28's net pension asset was measured as of December 31, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 8 - EMPLOYEE BENEFIT PLAN (CONTINUED)

- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.60%
International Equity	17	7.80
Fixed Income	27	3.00
Real Estate	8	6.15
Alternative Investments	9	5.25-8.50
Cash Equivalents	1	2.25
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 8 - EMPLOYEE BENEFIT PLAN (CONTINUED)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension (Asset) Liability

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension (Asset) Liability <u>(A) - (B)</u>
Balances at December 31, 2013	\$ 919,882	\$ 980,270	\$ (60,388)
Changes for the year:			
Service cost	98,892	-	98,892
Interest on the total pension (asset) liability	71,794	-	71,794
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension (asset) liability	(55,412)	-	(55,412)
Changes of assumptions	40,962	-	40,962
Contributions - employer	-	59,476	(59,476)
Contributions - employees	-	41,007	(41,007)
Net investment income	-	41,054	(41,054)
Benefit payments, including refunds of employee contributions	(24,570)	(24,570)	-
Other (net transfer)	-	(542)	542
Net changes	<u>131,666</u>	<u>116,425</u>	<u>15,241</u>
Balances at December 31, 2014	<u>\$ 1,051,548</u>	<u>\$ 1,096,695</u>	<u>\$ (45,147)</u>

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate

The following presents the plan's net pension (asset) liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease <u>(6.5%)</u>	Current Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Net pension (asset) liability	\$ <u>138,466</u>	\$ <u>(45,147)</u>	\$ <u>(191,416)</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 8 - EMPLOYEE BENEFIT PLAN (CONTINUED)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, Bureau/Henry/Stark Counties Regional Office of Education No. 28 recognized pension expense of \$58,659. At June 30, 2015, Bureau/Henry/Stark Counties Regional Office of Education No. 28 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 44,928
Changes of assumptions	33,212	-
Net difference between projected and actual earnings on pension plan investments	27,774	-
Total deferred amounts to be recognized in pension expense in future periods	60,986	44,928
Employer contributions subsequent to the measurement date	33,050	-
Total deferred amounts related to pensions	\$ 94,036	\$ 44,928

\$33,050 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset) liability in the reporting year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2015	\$ 4,210
2016	4,210
2017	4,210
2018	4,210
2019	(782)
Total	\$ 16,058

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 9 - SALARIES AND OTHER CONTRIBUTIONS

The salaries of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois. The salaries of all other employees of Bureau/Henry/Stark Counties Regional Office of Education No. 28 are paid through Henry County.

Bureau/Henry/Stark Counties Regional Office of Education No. 28, Bureau County and Stark County reimburse Henry County for salaries as well as the employer contributions made to postretirement medical plans (OPEB) and the Illinois Municipal Retirement Fund (IMRF). Postretirement medical plans (OPEB) obligations for Bureau/Henry/Stark Counties Regional Office of Education No. 28 employees are included in Henry County's postretirement medical plans (OPEB) obligation and therefore, are not separately reported by Bureau/Henry/Stark Counties Regional Office of Education No. 28. IMRF pension plan obligations for Bureau/Henry/Stark Counties Regional Office of Education No. 28 employees are segregated by IMRF and separately reported by Bureau/Henry/Stark Counties Regional Office of Education No. 28.

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	\$ 106,356
Regional Superintendent - benefits (includes state paid insurance)	36,357
Assistant Regional Superintendent - salary	95,736
Assistant Regional Superintendent - benefits (includes state paid insurance)	35,737
County on-behalf payments	<u>279,855</u>
Total on-behalf payments	<u>\$ 554,041</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.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 11 - DEFICIT FUND BALANCES

At June 30, 2015, the following funds had deficit fund balances. They are expected to correct themselves in 2016, through payments from the State and transfers from local funds.

General Fund	
Registration	\$ (175)
Education Fund	
Bureau County Step Ahead	(125)
Henry County Step Ahead	(262)
21st Century Community Learning Centers Project 10	(103)
21st Century Community Learning Centers Project 13	(740)
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)
Illinois Math and Science Partnership Project LP	(80,382)

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, 2014 and extending to June 30, 2016 required quarterly lease payments of \$7,500. Rental expense for the year ended June 30, 2015 was \$30,000.

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, 2015 was \$4,800.

Future minimum payments under operating leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	<u>\$ 34,800</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 13 - RISK MANAGEMENT

Bureau/Henry/Stark Counties Regional Office of Education No. 28 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. Bureau/Henry/Stark Counties Regional Office of Education No. 28 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

NOTE 14 - NEW PRONOUNCEMENTS

In 2015, Bureau/Henry/Stark Counties Regional Office of Education No. 28 implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27*; and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. These statements 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. Bureau/Henry/Stark Counties Regional Office of Education No. 28 also implemented GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement had no impact on the financial statements for Bureau/Henry/Stark Counties Regional Office of Education No. 28.

NOTE 15 - ACCOUNTING CHANGE

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27* was implemented during fiscal year 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, GASB No. 68 requires a state or local government employer to recognize a new pension asset/liability and changes in the net pension asset/liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources, and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension asset/liability which is required to be reported by GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 15 - ACCOUNTING CHANGE (CONTINUED)

Beginning net position for governmental activities were restated to retroactively report the beginning net pension asset and deferred outflows of resources related to contributions made after the measurement date as follows:

Net position June 30, 2014, as previously reported	\$1,355,397
Net pension asset at June 30, 2014	60,388
Change in outflows of resources related to to contributions made after the December 31, 2014 measurement date	<u>32,402</u>
Net position July 1, 2014, as restated	<u>\$1,448,187</u>

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 CHANGES IN THE NET
PENSION ASSET AND RELATED RATIOS
ILLINIOS MUNICIPAL RETIREMENT FUND
CALENDAR YEAR 2014

Calendar year ended December 31,	<u>2014</u>
Total pension liability	
Service cost	\$ 98,892
Interest on the total pension (asset) liability	71,794
Changes of benefit terms	-
Differences between expected and actual experience of the total pension (asset) liability	(55,412)
Changes of assumptions	40,962
Benefit payments, including refunds of employee contributions	<u>(24,570)</u>
Net change in total pension liability	131,666
Total pension liability - beginning	<u>919,882</u>
Total pension liability - ending (A)	<u>\$ 1,051,548</u>
 Plan fiduciary net position	
Contributions - employer	\$ 59,476
Contributions - employees	41,007
Net investment income	41,054
Benefit payments, including refunds of employee contributions	(24,570)
Other (net transfer)	<u>(542)</u>
Net change in plan fiduciary net position	116,425
Plan fiduciary net position - beginning	<u>980,270</u>
Plan fiduciary net position - ending (B)	<u>\$ 1,096,695</u>
 Net pension asset - ending (A) - (B)	 <u>\$ (45,147)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 104.29%
 Covered valuation payroll	 \$ 730,915
 Net pension asset as a percentage of covered valuation payroll	 -6.18%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
June 30, 2015**

Calendar Year Ended <u>December 31,</u>	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ 51,237	\$ 59,476	\$ (8,239)	\$ 730,915	8.14%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate*

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2014 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	29-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	4%
<i>Price Inflation:</i>	3%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	4.40% to 16%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
<i>Mortality:</i>	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes:

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2012, actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

SUPPLEMENTARY INFORMATION

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND ACCOUNTS
June 30, 2015

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	\$ 118	\$ 43,021	\$ 57,390	\$ 9,978	\$ 2,633	\$ 21,665
Due from other governments	-	-	-	-	-	-
Due from other funds	<u>57,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317,970</u>	<u>-</u>
Total assets	57,118	43,021	57,390	9,978	320,603	21,665
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>\$57,118</u>	<u>\$ 43,021</u>	<u>\$ 57,390</u>	<u>\$ 9,978</u>	<u>\$ 320,603</u>	<u>\$ 21,665</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)						
Assigned	-	-	57,390	9,978	-	21,665
Unassigned	<u>57,118</u>	<u>43,021</u>	<u>-</u>	<u>-</u>	<u>320,603</u>	<u>-</u>
Total fund balance (deficit)	57,118	43,021	57,390	9,978	320,603	21,665
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$57,118</u>	<u>\$ 43,021</u>	<u>\$ 57,390</u>	<u>\$ 9,978</u>	<u>\$ 320,603</u>	<u>\$ 21,665</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND ACCOUNTS
June 30, 2015

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	\$ 21	\$ 77,200	\$ 5,109	\$ 340	\$ 18,847	\$ 25,133
Due from other governments	-	120	-	-	-	-
Due from other funds	-	29,947	-	92,000	-	-
Total assets	<u>21</u>	<u>107,267</u>	<u>5,109</u>	<u>92,340</u>	<u>18,847</u>	<u>25,133</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>\$ 21</u>	<u>\$ 107,267</u>	<u>\$ 5,109</u>	<u>\$ 92,340</u>	<u>\$ 18,847</u>	<u>\$ 25,133</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ 506	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)						
Assigned	21	106,761	5,109	92,340	18,847	25,133
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	<u>21</u>	<u>106,761</u>	<u>5,109</u>	<u>92,340</u>	<u>18,847</u>	<u>25,133</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 21</u>	<u>\$ 107,267</u>	<u>\$ 5,109</u>	<u>\$ 92,340</u>	<u>\$ 18,847</u>	<u>\$ 25,133</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND ACCOUNTS
June 30, 2015

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	\$ 57,992	\$ 3,520	\$ 3,268	\$ -	\$ 326,235
Due from other governments	8,306	-	-	-	8,426
Due from other funds	<u>430,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>927,111</u>
Total assets	496,492	3,520	3,268	-	1,261,772
DEFERRED OUTFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 496,492</u>	<u>\$ 3,520</u>	<u>\$ 3,268</u>	<u>\$ -</u>	<u>\$ 1,261,772</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 20	\$ -	\$ -	\$ -	\$ 526
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>175</u>
Total liabilities	<u>20</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>701</u>
DEFERRED INFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)					
Assigned	-	3,520	3,268	-	344,032
Unassigned	<u>496,472</u>	<u>-</u>	<u>-</u>	<u>(175)</u>	<u>917,039</u>
Total fund balance (deficit)	<u>496,472</u>	<u>3,520</u>	<u>3,268</u>	<u>(175)</u>	<u>1,261,071</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 496,492</u>	<u>\$ 3,520</u>	<u>\$ 3,268</u>	<u>\$ -</u>	<u>\$ 1,261,772</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, 2015

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	\$ 183	\$ -	\$ 6,538	\$ 4,360	\$ 42	\$ 116
State sources	-	-	-	-	77,396	-
Federal sources	-	-	-	-	-	-
On-behalf payments	554,041	-	-	-	-	-
Total revenues	<u>554,224</u>	<u>-</u>	<u>6,538</u>	<u>4,360</u>	<u>77,438</u>	<u>116</u>
EXPENDITURES:						
Education:						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Pension expense	-	-	-	-	-	-
Purchased services	-	-	5,310	3,250	-	-
Supplies and materials	7	-	621	-	-	-
Payments to other governments	-	-	-	-	62,044	-
On-behalf payments	548,135	-	-	-	-	-
On-behalf payments - pension expense	5,906	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>554,048</u>	<u>-</u>	<u>5,931</u>	<u>3,250</u>	<u>62,044</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	176	-	607	1,110	15,394	116
FUND BALANCE (DEFICIT), BEGINNING 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>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 57,118</u>	<u>\$ 43,021</u>	<u>\$ 57,390</u>	<u>\$ 9,978</u>	<u>\$ 320,603</u>	<u>\$ 21,665</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, 2015

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	\$ 1	\$ 15,920	\$ 1,157	\$ 285	\$ 58	\$ 78
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-
Total revenues	<u>1</u>	<u>15,920</u>	<u>1,157</u>	<u>285</u>	<u>58</u>	<u>78</u>
EXPENDITURES:						
Education:						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Pension expense	-	-	-	-	-	-
Purchased services	-	13,006	3,219	-	-	-
Supplies and materials	-	1,666	242	-	-	-
Payments to other governments	-	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-
On-behalf payments - pension expense	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>14,672</u>	<u>3,461</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	1	1,248	(2,304)	285	58	78
FUND BALANCE (DEFICIT), BEGINNING 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>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 21</u>	<u>\$ 106,761</u>	<u>\$ 5,109</u>	<u>\$ 92,340</u>	<u>\$ 18,847</u>	<u>\$ 25,133</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, 2015

SCHEDULE 2
(CONTINUED)

	<u>District Services</u>	<u>Science</u>	<u>Reading First Enterprise</u>	<u>Registration</u>	<u>Total</u>
REVENUES:					
Local sources	\$ 95,045	\$ 11	\$ 10	\$ -	\$ 123,804
State sources	-	-	-	-	77,396
Federal sources	62,590	-	-	-	62,590
On-behalf payments	-	-	-	-	554,041
Total revenues	<u>157,635</u>	<u>11</u>	<u>10</u>	<u>-</u>	<u>817,831</u>
EXPENDITURES:					
Education:					
Salaries	1,844	-	-	-	1,844
Benefits	2,272	-	-	-	2,272
Pension expense	145	-	-	-	145
Purchased services	31,671	-	-	-	56,456
Supplies and materials	14,955	-	-	-	17,491
Payments to other governments	87,358	-	-	-	149,402
On-behalf payments	-	-	-	-	548,135
On-behalf payments - pension expense	-	-	-	-	5,906
Capital outlay	9,814	-	-	-	9,814
Total expenditures	<u>148,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>791,465</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	9,576	11	10	-	26,366
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>486,896</u>	<u>3,509</u>	<u>3,258</u>	<u>(175)</u>	<u>1,234,705</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 496,472</u>	<u>\$ 3,520</u>	<u>\$ 3,268</u>	<u>\$ (175)</u>	<u>\$ 1,261,071</u>

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2015**

	<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>	<u>21st Century Community Learning Centers Project 10</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 56,451	\$ 1,878	\$ 359	\$ 1,250	\$ -
Accounts receivable	3,536	25,019	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Total assets	<u>3,536</u>	<u>25,019</u>	<u>56,451</u>	<u>1,878</u>	<u>359</u>	<u>1,250</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES							
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,536</u>	<u>\$ 25,019</u>	<u>\$ 56,451</u>	<u>\$ 1,878</u>	<u>\$ 359</u>	<u>\$ 1,250</u>	<u>\$ -</u>
LIABILITIES							
Accounts payable and accrued expenses	\$ -	\$ 574	\$ 210	\$ -	\$ -	\$ 278	\$ -
Due to other governments	171	722	-	1,854	-	904	-
Due to other funds	3,490	23,985	-	-	-	-	103
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>3,661</u>	<u>25,281</u>	<u>210</u>	<u>1,854</u>	<u>-</u>	<u>1,182</u>	<u>103</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)							
Restricted	-	-	56,241	24	359	68	-
Unassigned	(125)	(262)	-	-	-	-	(103)
Total fund balance (deficit)	<u>(125)</u>	<u>(262)</u>	<u>56,241</u>	<u>24</u>	<u>359</u>	<u>68</u>	<u>(103)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 3,536</u>	<u>\$ 25,019</u>	<u>\$ 56,451</u>	<u>\$ 1,878</u>	<u>\$ 359</u>	<u>\$ 1,250</u>	<u>\$ -</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2015

	21st Century Community Learning Centers Project 12	21st Century Community Learning Centers Project 13	21st Century Community Learning Centers Project 15	21st Century Community Learning Centers Project 25	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	\$ -	\$ -	\$ -	\$ -	\$ 11,331	\$ 4,995	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	-	286,058	116,324	179,216	-	-	-
Total assets	-	286,058	116,324	179,216	11,331	4,995	-
DEFERRED OUTFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 286,058	\$ 116,324	\$ 179,216	\$ 11,331	\$ 4,995	\$ -
LIABILITIES							
Accounts payable and accrued expenses	\$ -	\$ 1,610	\$ 238	\$ 88	\$ -	\$ -	\$ -
Due to other governments	-	107	-	181	-	-	-
Due to other funds	-	285,081	116,069	178,947	-	-	249
Unearned revenue	-	-	-	-	11,332	5,055	-
Total liabilities	-	286,798	116,307	179,216	11,332	5,055	249
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	-	-	-	-	-
FUND BALANCE (DEFICIT)							
Restricted	-	-	17	-	-	-	-
Unassigned	-	(740)	-	-	(1)	(60)	(249)
Total fund balance (deficit)	-	(740)	17	-	(1)	(60)	(249)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ -	\$ 286,058	\$ 116,324	\$ 179,216	\$ 11,331	\$ 4,995	\$ -

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2015

	ISU Math and Science Partnership	Illinois Math and Science Partnership Project LP	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	\$ -	\$ -	\$ 6,305	\$ 86,134
Accounts receivable	-	-	-	-	-	-	28,555
Due from other governments	-	398,424	-	-	793	4,933	985,748
Total assets	-	398,424	3,565	-	793	11,238	1,100,437
DEFERRED OUTFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 398,424	\$ 3,565	\$ -	\$ 793	\$ 11,238	\$ 1,100,437
LIABILITIES							
Accounts payable and accrued expenses	\$ -	\$ 72	\$ -	\$ -	\$ -	\$ -	\$ 3,070
Due to other governments	-	80,382	-	-	-	-	84,321
Due to other funds	249	317,970	-	-	793	-	926,936
Unearned revenue	-	-	3,565	-	-	-	19,952
Total liabilities	249	398,424	3,565	-	793	-	1,034,279
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	80,382	-	-	-	-	80,382
FUND BALANCE (DEFICIT)							
Restricted	-	-	-	-	-	11,238	67,947
Unassigned	(249)	(80,382)	-	-	-	-	(82,171)
Total fund balance (deficit)	(249)	(80,382)	-	-	-	11,238	(14,224)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ -	\$ 398,424	\$ 3,565	\$ -	\$ 793	\$ 11,238	\$ 1,100,437

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, 2015

SCHEDULE 4

	Bureau County Step Ahead	Henry County Step Ahead	General Operations	Truants Alternative Optional Education Program	Salary	McKinney Education for Homeless Children	21st Century Community Learning Centers Project 10
REVENUES:							
Local sources	\$ -	\$ 76,621	\$ 2	\$ -	\$ 1	\$ -	\$ -
State sources	-	-	63,776	78,073	-	-	-
Federal sources	<u>39,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,954</u>	<u>4,497</u>
Total revenues	<u>39,473</u>	<u>76,621</u>	<u>63,778</u>	<u>78,073</u>	<u>1</u>	<u>14,954</u>	<u>4,497</u>
EXPENDITURES:							
Education:							
Salaries	23,615	38,730	7,580	55,711	-	6,033	2,926
Benefits	6,740	10,083	580	7,954	-	1,536	528
Pension expense	1,799	2,921	-	4,300	-	469	221
Purchased services	5,927	13,430	4,892	7,876	-	2,757	107
Supplies and materials	1,478	4,242	5,605	298	-	3,255	-
Payment to other governments	39	2,220	43,363	1,934	-	904	-
Other objects	-	-	40	-	-	-	715
Capital outlay	<u>-</u>	<u>4,995</u>	<u>1,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>39,598</u>	<u>76,621</u>	<u>63,959</u>	<u>78,073</u>	<u>-</u>	<u>14,954</u>	<u>4,497</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(125)	-	(181)	-	1	-	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>-</u>	<u>(262)</u>	<u>56,422</u>	<u>24</u>	<u>358</u>	<u>68</u>	<u>(103)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (125)</u>	<u>\$ (262)</u>	<u>\$ 56,241</u>	<u>\$ 24</u>	<u>\$ 359</u>	<u>\$ 68</u>	<u>\$ (103)</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, 2015

SCHEDULE 4
(CONTINUED)

	21st Century Community Learning Centers Project 12	21st Century Community Learning Centers Project 13	21st Century Community Learning Centers Project 15	21st Century Community Learning Centers Project 25	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	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	271,330	156,500	-
Federal sources	<u>13,279</u>	<u>846,323</u>	<u>149,065</u>	<u>247,349</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>13,281</u>	<u>846,323</u>	<u>149,065</u>	<u>247,349</u>	<u>271,330</u>	<u>156,500</u>	<u>-</u>
EXPENDITURES:							
Education:							
Salaries	5,736	348,948	51,481	76,709	102,617	42,533	-
Benefits	1,017	84,916	10,881	17,351	29,586	3,254	-
Pension expense	435	24,765	3,454	4,996	7,364	3,289	-
Purchased services	671	35,234	8,692	13,490	22,545	10,303	-
Supplies and materials	2,136	43,978	26,722	26,926	1,002	1,839	-
Payment to other governments	1,573	292,205	47,089	93,608	108,216	95,282	-
Other objects	1,713	16,905	729	691	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,578</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>13,281</u>	<u>846,951</u>	<u>149,048</u>	<u>247,349</u>	<u>271,330</u>	<u>156,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	(628)	17	-	-	-	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>-</u>	<u>(112)</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(60)</u>	<u>(249)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ (740)</u>	<u>\$ 17</u>	<u>\$ -</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, 2015

SCHEDULE 4
(CONTINUED)

	ISU Math and Science Partnership	Illinois Math and Science Partnership Project LP	Teacher Mentoring and Mentoring Pilot Program	Rural School Achievement Program	Title II Teacher Quality Leadership	Regional Safe Schools	Totals
REVENUES:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,626
State sources	-	-	-	-	-	63,598	633,277
Federal sources	-	320,212	-	19,993	2,793	-	1,657,938
Total revenues	-	320,212	-	19,993	2,793	63,598	2,367,841
EXPENDITURES:							
Education:							
Salaries	-	-	-	-	93	-	762,712
Benefits	-	-	-	-	-	9,882	184,308
Pension expense	-	-	-	-	-	-	54,013
Purchased services	-	291,250	-	-	2,700	207	420,081
Supplies and materials	-	1,943	-	729	-	208	120,361
Payment to other governments	-	105,502	-	15,981	-	53,301	861,217
Other objects	-	-	-	-	-	-	20,793
Capital outlay	-	1,899	-	3,283	-	-	25,654
Total expenditures	-	400,594	-	19,993	2,793	63,598	2,449,139
NET CHANGE IN FUND BALANCE (DEFICIT)	-	(80,382)	-	-	-	-	(81,298)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(249)	-	-	-	-	11,238	67,074
FUND BALANCE (DEFICIT), END OF YEAR	\$ (249)	\$ (80,382)	\$ -	\$ -	\$ -	\$ 11,238	\$ (14,224)

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2015

	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	\$ -	\$ -	\$ 2	\$ 2	\$ -	\$ -	\$ -	\$ -
State sources	63,776	63,776	63,776	-	79,870	78,073	78,073	-
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>63,776</u>	<u>63,776</u>	<u>63,778</u>	<u>2</u>	<u>79,870</u>	<u>78,073</u>	<u>78,073</u>	<u>-</u>
EXPENDITURES:								
Education:								
Salaries	-	-	7,580	(7,580)	-	-	55,711	(55,711)
Benefits	-	-	580	(580)	-	-	7,954	(7,954)
Pension expense	-	-	-	-	-	-	4,300	(4,300)
Purchased services	4,300	4,300	4,892	(592)	6,550	7,565	7,876	(311)
Supplies and materials	4,500	4,500	5,605	(1,105)	353	353	298	55
Payments to other governments	53,476	53,476	43,363	10,113	72,967	70,155	1,934	68,221
Other objects	500	500	40	460	-	-	-	-
Capital outlay	1,000	1,000	1,899	(899)	-	-	-	-
Total expenditures	<u>63,776</u>	<u>63,776</u>	<u>63,959</u>	<u>(183)</u>	<u>79,870</u>	<u>78,073</u>	<u>78,073</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>(181)</u>	<u>\$ (181)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR			<u>56,422</u>				<u>24</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 56,241</u>				<u>\$ 24</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2015

	McKinney Education for Homeless Children				21st Century Community Learning Centers Project 13			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	13,454	14,954	14,954	-	999,520	999,520	846,323	(153,197)
Total revenues	13,454	14,954	14,954	-	999,520	999,520	846,323	(153,197)
EXPENDITURES:								
Education:								
Salaries	-	-	6,033	(6,033)	399,830	385,338	348,948	36,390
Benefits	-	-	1,536	(1,536)	128,128	119,737	84,916	34,821
Pension expense	-	-	469	(469)	-	-	24,765	(24,765)
Purchased services	2,470	2,970	2,757	213	67,805	68,859	35,234	33,625
Supplies and materials	2,468	3,468	3,255	213	85,372	79,161	43,978	35,183
Payments to other governments	8,516	8,516	904	7,612	318,385	318,641	292,205	26,436
Other objects	-	-	-	-	-	27,784	16,905	10,879
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	13,454	14,954	14,954	-	999,520	999,520	846,951	152,569
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	-	\$ -	\$ -	\$ -	(628)	\$ (628)
FUND BALANCE, BEGINNING OF YEAR			68				(112)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ 68				\$ (740)	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2015

	21st Century Community Learning Centers Project 15				21st Century Community Learning Centers Project 25			
	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	499,090	499,090	149,065	(350,025)	535,354	535,354	247,349	(288,005)
Total revenues	499,090	499,090	149,065	(350,025)	535,354	535,354	247,349	(288,005)
EXPENDITURES:								
Education:								
Salaries	156,167	156,167	51,481	104,686	188,167	188,167	76,709	111,458
Benefits	46,775	46,775	10,881	35,894	58,928	58,928	17,351	41,577
Pension expense	-	-	3,454	(3,454)	-	-	4,996	(4,996)
Purchased services	27,925	29,425	8,692	20,733	24,487	25,987	13,490	12,497
Supplies and materials	31,500	35,000	26,722	8,278	32,402	34,402	26,926	7,476
Payments to other governments	233,222	228,222	47,089	181,133	206,590	203,090	93,608	109,482
Other objects	3,501	3,501	729	2,772	10,982	10,982	691	10,291
Capital outlay	-	-	-	-	13,798	13,798	13,578	220
Total expenditures	499,090	499,090	149,048	350,042	535,354	535,354	247,349	288,005
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	17	\$ 17	\$ -	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR			-				-	
FUND BALANCE (DEFICIT), END OF YEAR			\$ 17				\$ -	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2015

	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	276,227	271,330	(4,897)	158,103	155,170	156,500	1,330
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>281,449</u>	<u>276,227</u>	<u>271,330</u>	<u>(4,897)</u>	<u>158,103</u>	<u>155,170</u>	<u>156,500</u>	<u>1,330</u>
EXPENDITURES:								
Education:								
Salaries	-	-	102,617	(102,617)	-	-	42,533	(42,533)
Benefits	-	-	29,586	(29,586)	-	-	3,254	(3,254)
Pension expense	-	-	7,364	(7,364)	-	-	3,289	(3,289)
Purchased services	20,920	20,920	22,545	(1,625)	10,670	10,670	10,303	367
Supplies and materials	853	853	1,002	(149)	2,095	1,520	1,839	(319)
Payments to other governments	259,176	253,954	108,216	145,738	145,338	142,980	95,282	47,698
Other objects	-	-	-	-	-	-	-	-
Capital outlay	500	500	-	500	-	-	-	-
Total expenditures	<u>281,449</u>	<u>276,227</u>	<u>271,330</u>	<u>4,897</u>	<u>158,103</u>	<u>155,170</u>	<u>156,500</u>	<u>(1,330)</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR				(1)			(60)	
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, 2015

	Illinois Math and Science Partnership Project LP				Title II Teacher Quality Leadership			
	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	946,435	946,435	320,212	(626,223)	2,793	2,793	2,793	-
Total revenues	946,435	946,435	320,212	(626,223)	2,793	2,793	2,793	-
EXPENDITURES:								
Education:								
Salaries	-	-	-	-	93	93	93	-
Benefits	-	-	-	-	-	-	-	-
Pension expense	-	-	-	-	-	-	-	-
Purchased services	577,968	577,968	291,250	286,718	2,700	2,700	2,700	-
Supplies and materials	12,856	12,856	1,943	10,913	-	-	-	-
Payments to other governments	351,611	351,611	105,502	246,109	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Capital outlay	4,000	4,000	1,899	2,101	-	-	-	-
Total expenditures	946,435	946,435	400,594	545,841	2,793	2,793	2,793	-
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	(80,382)	\$ (80,382)	\$ -	\$ -	-	\$ -
FUND BALANCE, BEGINNING OF YEAR			-				-	
FUND BALANCE (DEFICIT), END OF YEAR			\$ (80,382)				\$ -	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2015

	Regional Safe Schools			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	65,062	63,598	63,598	-
Federal sources	-	-	-	-
Total revenues	<u>65,062</u>	<u>63,598</u>	<u>63,598</u>	<u>-</u>
EXPENDITURES:				
Education:				
Salaries	-	-	-	-
Benefits	-	-	9,882	(9,882)
Pension expense	-	-	-	-
Purchased services	1,680	336	207	129
Supplies and materials	200	200	208	(8)
Payments to other governments	63,182	63,062	53,301	9,761
Other objects	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>65,062</u>	<u>63,598</u>	<u>63,598</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR			<u>11,238</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 11,238</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2015**

	<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	\$ 104,893	\$ 2,623	\$ 16,069	\$ 3,016	\$ 2,049	\$ 128,650
Accounts receivable	-	-	-	246	-	246
Total assets	<u>104,893</u>	<u>2,623</u>	<u>16,069</u>	<u>3,262</u>	<u>2,049</u>	<u>128,896</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>\$ 104,893</u>	<u>\$ 2,623</u>	<u>\$ 16,069</u>	<u>\$ 3,262</u>	<u>\$ 2,049</u>	<u>\$ 128,896</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ 88	\$ -	\$ -	\$ 88
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE						
Restricted	<u>104,893</u>	<u>2,623</u>	<u>15,981</u>	<u>3,262</u>	<u>2,049</u>	<u>128,808</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 104,893</u>	<u>\$ 2,623</u>	<u>\$ 16,069</u>	<u>\$ 3,262</u>	<u>\$ 2,049</u>	<u>\$ 128,896</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, 2015

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	\$ 30,213	\$ 2,389	\$ 2,803	\$ 2,253	\$ -	\$ 37,658
State sources	-	-	955	-	-	955
Total revenues	<u>30,213</u>	<u>2,389</u>	<u>3,758</u>	<u>2,253</u>	<u>-</u>	<u>38,613</u>
EXPENDITURES:						
Education:						
Salaries	-	770	-	-	-	770
Benefits	-	59	-	-	-	59
Pension expense	-	60	-	-	-	60
Purchased services	5,164	8	1,733	2,918	22	9,845
Supplies and materials	56	25	-	-	24	105
Total expenditures	<u>5,220</u>	<u>922</u>	<u>1,733</u>	<u>2,918</u>	<u>46</u>	<u>10,839</u>
NET CHANGE IN FUND BALANCE	24,993	1,467	2,025	(665)	(46)	27,774
FUND BALANCE, BEGINNING 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>
FUND BALANCE, END OF YEAR	<u>\$ 104,893</u>	<u>\$ 2,623</u>	<u>\$ 15,981</u>	<u>\$ 3,262</u>	<u>\$ 2,049</u>	<u>\$ 128,808</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2015

	<u>Distributive Fund</u>	<u>Distributive Interest Fund</u>	<u>School Facility Occupation Tax</u>	<u>Total</u>
ASSETS				
Cash (overdraft) and cash equivalents	\$ 54,652	\$ 19,405	\$ (1)	\$ 74,056
Due from other governments	-	-	534,833	534,833
TOTAL ASSETS	<u>\$ 54,652</u>	<u>\$ 19,405</u>	<u>\$ 534,832</u>	<u>\$ 608,889</u>
LIABILITIES				
Due to other governments	<u>\$ 54,652</u>	<u>\$ 19,405</u>	<u>\$ 534,832</u>	<u>\$ 608,889</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, 2015**

	<u>Balance, June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2015</u>
DISTRIBUTIVE FUND				
ASSETS				
Cash and cash equivalents	\$ 27,133	\$ 38,110,495	\$ 38,082,976	\$ 54,652
LIABILITIES				
Due to other governments	\$ 27,133	\$ 38,110,495	\$ 38,082,976	\$ 54,652
DISTRIBUTIVE INTEREST FUND				
ASSETS				
Cash and cash equivalents	\$ 17,866	\$ 1,740	\$ 201	\$ 19,405
LIABILITIES				
Due to other governments	\$ 17,866	\$ 1,740	\$ 201	\$ 19,405
SCHOOL FACILITY OCCUPATION TAX				
ASSETS				
Cash (overdraft) and cash equivalents	\$ -	\$ 3,112,435	\$ 3,112,436	\$ (1)
Due from other governments	550,739	534,833	550,739	534,833
TOTAL ASSETS	<u>\$ 550,739</u>	<u>\$ 3,647,268</u>	<u>\$ 3,663,175</u>	<u>\$ 534,832</u>
LIABILITIES				
Due to other governments	\$ 550,739	\$ 3,647,268	\$ 3,663,175	\$ 534,832
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 44,999	\$ 41,224,670	\$ 41,195,613	\$ 74,056
Due from other governments	550,739	534,833	550,739	534,833
TOTAL ASSETS	<u>\$ 595,738</u>	<u>\$ 41,759,503</u>	<u>\$ 41,746,352</u>	<u>\$ 608,889</u>
LIABILITIES				
Due to other governments	\$ 595,738	\$ 41,759,503	\$ 41,746,352	\$ 608,889

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2015

SCHEDULE 10

<u>Program</u>	<u>Bradford CUSD #1</u>	<u>Erie CUSD #1</u>	<u>PLT CUSD #3</u>	<u>United Township HSD #30</u>	<u>LADD G.S. SD #94</u>	<u>Stark County CUSD #100</u>	<u>Colona Elementary SD #190</u>
General State Aid 3001	\$ 194,516	\$ -	\$ -	\$ -	\$ 418,091	\$ 1,245,541	\$ 1,630,076
Reorganization Incentive 3010	-	-	-	-	13,527	-	-
Reorganization Incentive 3015	-	-	-	-	7,984	-	-
Reorganization Incentive 3020	-	-	-	-	84,784	-	-
Education Fax. Tuition 3100	15,577	-	-	-	-	29,762	-
Education Extraordinary 3105	24,229	-	-	-	20,869	68,646	44,156
Education Personnel 3110	23,873	-	-	-	23,357	63,488	44,949
Orphanage Group 3120	3,748	-	-	-	-	1,356	1,744
Sp Ed Orphans & Foster 3130	-	-	-	-	-	-	-
Education Summer School 3145	-	-	-	-	-	-	707
Agricultural Education 3235	-	-	-	-	-	2,070	-
Bilingual Education 3305	-	-	-	-	-	507	-
Illinois Free Lunch 3360	421	-	-	-	539	2,333	2,472
Driver Education 3370	-	-	-	-	-	12,839	-
Transportation Regular 3500	110,365	-	-	-	42,997	74,432	24
Transportation Special Education 3510	77,443	-	-	-	-	93,502	19,723
School Bus Driver Training 3520	-	-	-	-	-	-	-
Truants Alternative Education 3695	-	-	-	-	-	-	-
Regional Safe Schools 3696	-	-	-	-	-	-	-
Early Childhood Block Grant 3705	41,951	-	-	-	54,455	102,931	104,651
ROE/ISC Operations 3730	-	-	-	-	-	-	-
Other State Programs 3999	-	-	-	-	-	-	30,218
National School Lunch 4210	26,205	-	-	-	36,510	152,183	143,475
Lunch, Breakfast and Milk 4215	-	-	-	-	-	-	-
Breakfast Program 4220	9,066	-	-	-	8,748	47,456	35,394
Title I Delinquent 4306	-	-	-	-	-	-	-
Summer Food 4225	-	-	-	-	-	-	-
NSLP Equipment Assistance	-	-	-	-	-	-	-
Title I 4300	57,350	-	-	-	18,882	92,612	89,372
21st Century Community Learning 4421	-	-	-	-	-	-	-
Education Room & Board 4625	76,556	-	-	-	-	14,501	-
Title III Language 4909	-	-	-	-	-	-	-
Renovation IDEA & Tech 4932	16,992	-	-	-	12,067	29,940	38,008
Title II Teacher Quality Leadership 4935	-	-	-	-	-	-	-
Math and Science 4936	-	-	-	-	-	-	-
School Facility Occupation Tax	-	2,881	1,163	53,457	-	-	178,451
Other State Programs 3999	-	-	-	-	-	-	-
Totals	<u>\$ 678,292</u>	<u>\$ 2,881</u>	<u>\$ 1,163</u>	<u>\$ 53,457</u>	<u>\$ 742,810</u>	<u>\$ 2,034,099</u>	<u>\$ 2,363,420</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2015

SCHEDULE 10
(CONTINUED)

<u>Program</u>	<u>ROWVA</u> <u>CUSD #208</u>	<u>Orion</u> <u>CUSD #223</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>
General State Aid 3001	\$ -	\$ 1,890,062	\$ 1,329,124	\$ -	\$ 687,082	\$ 1,275,921
Reorganization Incentive 3010	-	-	-	-	-	-
Reorganization Incentive 3015	-	-	-	-	-	-
Reorganization Incentive 3020	-	-	-	-	-	-
Education Fax. Tuition 3100	-	-	-	-	1,365	-
Education Extraordinary 3105	-	96,622	54,206	-	35,363	45,912
Education Personnel 3110	-	99,689	16,232	-	16,000	25,205
Orphanage Group 3120	-	98,420	81,251	-	-	-
Sp Ed Orphans & Foster 3130	-	32,504	-	-	-	-
Education Summer School 3145	-	936	-	-	-	-
Agricultural Education 3235	-	2,716	2,716	-	2,205	780
Bilingual Education 3305	-	-	-	-	-	-
Illinois Free Lunch 3360	-	994	1,450	-	367	1,331
Driver Education 3370	-	21,067	9,143	-	6,972	5,547
Transportation Regular 3500	-	149,160	30,041	-	52,251	67,512
Transportation Special Education 3510	-	34,926	138,630	-	33,362	58,286
School Bus Driver Training 3520	-	-	-	-	-	-
Truants Alternative Education 3695	-	-	-	-	-	-
Regional Safe Schools 3696	-	-	-	-	-	-
Early Childhood Block Grant 3705	-	-	110,537	-	94,199	64,372
ROE/ISC Operations 3730	-	-	-	-	-	-
Other State Programs 3999	-	38,468	28,106	-	-	25,638
National School Lunch 4210	-	117,865	112,262	-	48,557	87,502
Lunch, Breakfast and Milk 4215	-	-	685	-	-	1,899
Breakfast Program 4220	-	-	10,023	-	-	23,712
Title I Delinquent 4306	-	32,290	-	-	-	-
Summer Food 4225	-	-	-	-	-	-
NSLP Equipment Assistance	-	-	-	-	-	-
Title I 4300	-	48,816	88,492	-	29,223	59,607
21st Century Community Learning 4421	-	-	-	-	-	-
Education Room & Board 4625	-	2	-	-	6,228	-
Title III Language 4909	-	-	-	-	-	-
Renovation IDEA & Tech 4932	-	27,228	20,102	-	17,517	31,045
Title II Teacher Quality Leadership 4935	-	-	-	-	-	-
Math and Science 4936	-	-	-	-	-	-
School Facility Occupation Tax	344	372,920	208,080	147,663	118,520	188,816
Other State Programs 3999	-	-	-	-	-	-
Totals	<u>\$ 344</u>	<u>\$ 3,064,685</u>	<u>\$ 2,241,080</u>	<u>\$ 147,663</u>	<u>\$ 1,149,211</u>	<u>\$ 1,963,085</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2015

SCHEDULE 10
(CONTINUED)

<u>Program</u>	<u>Geneseo CUSD #228</u>	<u>Kewanee CUSD #229</u>	<u>Wethersfield CUSD #230</u>	<u>Princeton H.S. SD #500</u>	<u>Regional Office of Education</u>	<u>Total</u>
General State Aid 3001	\$ 4,669,551	\$ 8,854,908	\$ 1,984,721	\$ 395,513	\$ 77,396	\$ 24,652,502
Reorganization Incentive 3010	-	65,077	-	-	-	78,604
Reorganization Incentive 3015	-	92,044	-	-	-	100,028
Reorganization Incentive 3020	-	543,049	-	-	-	627,833
Education Fax. Tuition 3100	98	63,122	-	-	-	109,924
Education Extraordinary 3105	231,441	191,210	59,204	47,767	-	919,625
Education Personnel 3110	129,222	53,112	18,311	85,057	-	598,495
Orphanage Group 3120	9,126	9,026	10,628	31,679	-	246,978
Sp Ed Orphans & Foster 3130	-	-	-	-	-	32,504
Education Summer School 3145	-	-	-	-	-	1,643
Agricultural Education 3235	2,017	1,909	2,178	968	-	17,559
Bilingual Education 3305	-	19,947	-	-	-	20,454
Illinois Free Lunch 3360	3,331	11,064	1,645	938	-	26,885
Driver Education 3370	42,836	23,055	10,190	27,017	-	158,666
Transportation Regular 3500	582,076	269,562	42,806	12,484	-	1,433,710
Transportation Special Education 3510	136,141	69,518	39,270	25,698	-	726,499
School Bus Driver Training 3520	-	-	-	-	955	955
Truants Alternative Education 3695	-	-	-	-	92,594	92,594
Regional Safe Schools 3696	-	-	-	-	64,113	64,113
Early Childhood Block Grant 3705	153,418	424,082	108,342	-	469,714	1,728,652
ROE/ISC Operations 3730	-	-	-	-	63,776	63,776
Other State Programs 3999	98,149	161,797	36,930	-	-	419,306
National School Lunch 4210	321,377	650,656	112,346	74,848	-	1,883,786
Lunch, Breakfast and Milk 4215	-	-	-	-	-	2,584
Breakfast Program 4220	69,955	211,303	25,038	11,225	-	451,920
Title I Delinquent 4306	-	-	-	-	-	32,290
Summer Food 4225	-	52,499	-	-	-	52,499
NSLP Equipment Assistance	-	38,236	-	-	-	38,236
Title I 4300	190,301	555,219	168,011	96,078	-	1,493,963
21st Century Community Learning 4421	-	-	-	-	1,181,991	1,181,991
Education Room & Board 4625	55,605	230,138	-	-	-	383,030
Title III Language 4909	-	12,938	-	-	-	12,938
Renovation IDEA & Tech 4932	65,396	114,672	33,724	17,573	-	424,264
Title II Teacher Quality Leadership 4935	-	-	-	-	2,000	2,000
Math and Science 4936	-	-	-	-	2,170	2,170
School Facility Occupation Tax	941,125	673,865	225,151	-	-	3,112,436
Other State Programs 3999	-	-	-	-	201	201
Totals	<u>\$ 7,701,165</u>	<u>#####</u>	<u>\$ 2,878,495</u>	<u>\$ 826,845</u>	<u>#####</u>	<u>\$ 41,195,613</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION NO. 28
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Federal Grantor/Pass- Through Grantor, Program or Cluster Title	CFDA Number	Project Number (1st 8 digits) or Contract #	Federal Expenditures June 30, 2015
U.S. Department of Education:			
Rural Education			
Rural Education Achievement Award	84.358A	S358A135329	\$ 19,993
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	14-4421-10	4,497
Twenty-First Century Community Learning Centers	84.287C	14-4421-12	13,279
Twenty-First Century Community Learning Centers	84.287C	14-4421-13	100,832
Twenty-First Century Community Learning Centers	84.287C	15-4421-13	745,491
Twenty-First Century Community Learning Centers	84.287C	15-4421-15	149,048
Twenty-First Century Community Learning Centers	84.287C	15-4421-25	247,349
(M)Total Twenty-First Century Community Learning Centers			<u>1,260,496</u>
Mathematics and Science Partnerships			
(M)Mathematics and Science Partnerships	84.366B	15-4936-LP	<u>400,594</u>
Improving Teacher Quality State Grants			
Title II Teacher Quality Leadership	84.367A	15-4935-02	<u>2,793</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	15-4920-00	<u>14,954</u>
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	15-4331-SS	<u>62,590</u>
Total U.S. Department of Education			<u>1,761,420</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	<u>39,473</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,800,893</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, 2015**

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, 13, 15, and 25) - 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.

Illinois Math and Science Partnership Project LP - A collaborative effort between the Regional Office of Education No. 28, Illinois State University, and Kewanee CUSD #229 to lead a statewide network that provides math and science professional development through a train-the-trainer model.

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.