

State of Illinois
BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
FINANCIAL AUDIT
For the Year Ended June 30, 2014

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46**

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**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46**

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**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46**

OFFICIALS

Regional Superintendent
(During the Audit Period and Current) Honorable Jeff Stephens

Assistant Regional Superintendent
(During the Audit Period July 1, 2013 to November 15, 2013)
(After the Audit Period from July 1, 2014 to November 15, 2014) Mr. Stephen Breese

Assistant Regional Superintendent
(During the Audit Period February 16, 2014 to June 30, 2014) Mr. Merle Kenady

Assistant Regional Superintendent
(During the Audit Period from November 16, 2013 to February 15, 2014)
(After the Audit Period from November 16, 2014 to Current) Ms. Jessica Crawford

Office is located at:

110 North West Street
Jacksonville, Illinois 62650

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46**

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

The auditors' reports do not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	0
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	0	1

SUMMARY OF FINDINGS AND RESPONSES

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

2014-001	10	Controls Over Billing Process	Material Weakness
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PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

None

EXIT CONFERENCE

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2014. Throughout the audit, numerous meetings were held between auditors and Regional Office officials to discuss matters contained in this audit report.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed an unmodified opinion on the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's basic financial statements.

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46'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 Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16, the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 will disband effective July 1, 2015. 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 Illinois Municipal Retirement Fund Schedule of Funding Progress on page 44 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements 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, and the combining fund financial statements 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, and the combining fund financial statements 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 January 29, 2015 on our consideration of Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46'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 Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's internal control over financial reporting and compliance.

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
January 29, 2015



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's basic financial statements, and have issued our report thereon dated January 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46'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 Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's internal control. Accordingly, we do not express an opinion on the effectiveness of Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46'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 Responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2014-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Regional Office of Education No. 46's Response to Finding

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
January 29, 2015

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2014**

Section I: Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: _____ Unmodified _____

Internal control over financial reporting:

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

Noncompliance material to
financial statements noted? yes x no

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2014**

Section II: Financial Statement Findings:

FINDING NO. 2014-001 - Controls Over Billing Process

Criteria/Specific Requirement:

The Regional Office of Education No. 46 is required to maintain a system of controls over the billing process to prevent errors and ensure all amounts due to the Regional Office of Education No. 46 are subsequently collected.

Condition:

The Regional Office of Education No. 46 does not have sufficient internal controls over the billing process. The Regional Office of Education No. 46 maintains a worksheet that lists all County billings and documents the related collections. There was no indication on the worksheet that the Regional Office of Education No. 46 had received the \$30,280 quarterly payment for the period of September through November of 2013 and the Regional Office of Education No. 46 failed to pursue further collection of the billing.

Effect:

Amounts billed by the Regional Office of Education No. 46 may go uncollected.

Cause:

The Regional Office of Education No. 46 did not ensure that amounts billed were subsequently collected.

Auditors' Recommendation:

The Regional Office of Education No. 46 should continue to utilize the worksheet that compares billings and the related collections. This worksheet should be reviewed regularly by management and the Regional Office of Education No. 46 should timely pursue unpaid billings.

Management's Response:

The Regional Office of Education No. 46 believes we maintain appropriate oversight and controls, however, in this instance, simple human error occurred. Due to the vast levels of segregation of duties required of our office, issues like this occur because things pass through so many hands they can get lost in the shuffle.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2014**

Section III: Federal Award Findings:

Not Applicable

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2014**

FINDING NO. 2014-001 - Controls Over Billing Process

Condition:

The Regional Office of Education No. 46 does not have sufficient internal controls over the billing process. The Regional Office of Education No. 46 maintains a worksheet that lists all County billings and documents the related collections. There was no indication on the worksheet that the Regional Office of Education No. 46 had received the \$30,280 quarterly payment for the period of September through November of 2013 and the Regional Office of Education No. 46 failed to pursue further collection of the billing.

Plan:

The Regional Office of Education No. 46 will continue to follow currently implemented oversight and controls to document receipt of all receivables. Management will review all receipt logs monthly to eliminate this oversight from recurring.

Anticipated Completion Date:

December 1, 2014

Contact Person Responsible for Corrective Action:

Jeff Stephens, Regional Superintendent

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2014**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
None		

BASIC FINANCIAL STATEMENTS

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government
	Governmental
	<u>Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 226,507
Accounts receivable	5,984
Due from other governments	56,763
Total current assets	289,254
Non-current assets:	
Capital assets, being depreciated, net	6,792
Total assets	296,046
DEFERRED OUTFLOWS OF RESOURCES	
None	-
LIABILITIES	
Current liabilities:	
Accounts payable	15,144
Accrued liabilities	35,895
Due to other governments	17,037
Unearned revenue	33,255
Total current liabilities	101,331
Non-current liabilities:	
Compensated absences	2,652
Total liabilities	103,983
DEFERRED INFLOWS OF RESOURCES	
None	-
NET POSITION	
Net investment in capital assets	6,792
Unrestricted	137,125
Restricted for educational purposes	48,146
Total net position	\$ 192,063

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 46
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2014**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Primary government:				
Governmental activities:				
Education:				
Salaries	\$ 459,765	\$ 8,443	\$ 169,942	\$ (281,380)
Benefits	125,959	4,030	27,965	(93,964)
Purchased services	100,747	4,030	15,058	(81,659)
Supplies and materials	25,906	1,727	-	(24,179)
Capital outlay	382	-	-	(382)
Miscellaneous	13,500	191	2,151	(11,158)
Payments to other governments	535	768	-	233
Depreciation	6,043	-	-	(6,043)
Administrative:				
On-behalf payments	362,694	-	-	(362,694)
Total primary government	<u>\$ 1,095,531</u>	<u>\$ 19,189</u>	<u>\$ 215,116</u>	<u>(861,226)</u>
General revenue:				
Local sources				217,487
State sources				410,630
On-behalf payments				<u>362,694</u>
Total general revenue				<u>990,811</u>
CHANGE IN NET POSITION				129,585
NET POSITION, BEGINNING OF YEAR				<u>62,478</u>
NET POSITION, END OF YEAR				<u>\$ 192,063</u>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Alternative Schools Fund</u>	<u>Institute Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 169,885	\$ 8,673	\$ -	\$ 36,797	\$ 11,152	\$ 226,507
Accounts receivable	1,716	4,197	-	58	13	5,984
Due from other governments	34,280	22,483	-	-	-	56,763
Due from other funds	11,453	-	-	-	-	11,453
Total assets	217,334	35,353	-	36,855	11,165	300,707
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 217,334	\$ 35,353	\$ -	\$ 36,855	\$ 11,165	\$ 300,707
LIABILITIES						
Accounts payable	\$ 7,608	\$ 7,338	\$ -	\$ 14	\$ 184	\$ 15,144
Accrued liabilities	20,245	15,650	-	-	-	35,895
Due to other governments	17,037	-	-	-	-	17,037
Due to other funds	625	10,828	-	-	-	11,453
Unearned revenue	32,042	1,213	-	-	-	33,255
Total liabilities	77,557	35,029	-	14	184	112,784
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	30,280	324	-	-	-	30,604
FUND BALANCE						
Restricted	-	-	-	36,841	10,981	47,822
Assigned	3,895	-	-	-	-	3,895
Unassigned	105,602	-	-	-	-	105,602
Total fund balance	109,497	-	-	36,841	10,981	157,319
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 217,334	\$ 35,353	\$ -	\$ 36,855	\$ 11,165	\$ 300,707

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2014**

Total fund balance of governmental funds (page 17)	\$	157,319
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.		6,792
Compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		(2,652)
Some revenues will not be collected for several months after the Regional Office's fiscal year ends, therefore are not considered "available" revenues and are deferred inflows of resources in the governmental funds.		<u>30,604</u>
Net position of governmental activities (page 15)	\$	<u>192,063</u>

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

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
Year Ended June 30, 2014

	<u>General Fund</u>	<u>Education Fund</u>	<u>Alternative Schools Fund</u>	<u>Institute Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES:						
Local sources	\$ 187,207	\$ 296	\$ 26	\$ 12,097	\$ 7,092	\$ 206,718
State sources	410,630	161,149	392	-	632	572,803
Federal sources	-	32,651	19,955	-	-	52,606
On-behalf payments	362,694	-	-	-	-	362,694
Total revenues	<u>960,531</u>	<u>194,096</u>	<u>20,373</u>	<u>12,097</u>	<u>7,724</u>	<u>1,194,821</u>
EXPENDITURES:						
Education:						
Salaries	289,175	165,108	-	5,482	-	459,765
Benefits	97,901	26,062	-	2,593	-	126,556
Purchased services	83,699	14,522	-	87	2,439	100,747
Supplies and materials	24,096	660	-	109	1,041	25,906
Miscellaneous	11,793	1,656	-	51	-	13,500
Payments to other governments	-	-	-	-	535	535
On-behalf payments	362,694	-	-	-	-	362,694
Capital outlay	382	-	-	-	-	382
Total expenditures	<u>869,740</u>	<u>208,008</u>	<u>-</u>	<u>8,322</u>	<u>4,015</u>	<u>1,090,085</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>90,791</u>	<u>(13,912)</u>	<u>20,373</u>	<u>3,775</u>	<u>3,709</u>	<u>104,736</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	127,134	15,869	-	-	-	143,003
Transfers out	(121,660)	(970)	(20,373)	-	-	(143,003)
Total other financing sources (uses)	<u>5,474</u>	<u>14,899</u>	<u>(20,373)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	96,265	987	-	3,775	3,709	104,736
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>13,232</u>	<u>(987)</u>	<u>-</u>	<u>33,066</u>	<u>7,272</u>	<u>52,583</u>
FUND BALANCE, END OF YEAR	<u>\$ 109,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,841</u>	<u>\$ 10,981</u>	<u>\$ 157,319</u>

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

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2014

Net change in fund balance (page 19) \$ 104,736

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

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

Depreciation expense (6,043)

Some revenues will not be collected for several
months after the Regional Office's fiscal year
ends, therefore are not considered "available"
revenues and are deferred inflows of resources
in the governmental funds.

Fiscal year 2013 unavailable revenue recognized in fiscal year 2014	\$ (309)	
Fiscal year 2014 unavailable revenue	30,604	
		30,295

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

Decrease in compensated absences 597

Change in net position of governmental activities (page 16) **\$ 129,585**

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

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2014

	<u>Agency Fund</u>
ASSETS	
Cash	\$ 64,371
Due from other governments	<u>136,368</u>
TOTAL ASSETS	<u>\$ 200,739</u>
LIABILITIES	
Due to other governments	<u>\$ 200,739</u>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 is an entity that is a result of two Educational Service Regions becoming a Regional Office of Education as of August 7, 1995. The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education No. 46 encompasses the Brown, Cass, Morgan and Scott Counties, Illinois. A Regional Superintendent of Schools serves as Chief Administrative Officer of the Regional Office of Education No. 46 and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general State aid, State categorical grants, and various other sources.

The functions of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 include, but are not limited to the following:

- processing teachers' certificates;
- teaching initial and refresher classes for school bus drivers within the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46;
- reviewing life/safety requirements for schools in conjunction with the State of Illinois;
- issuing newsletters regarding new Illinois life/safety requirements; and
- monitoring compliance with State laws and Department of Education policies and procedures.

The Regional 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 through the 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.

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has no distributive fund since the State of Illinois maintains responsibility for the function of distributing State and federal aid to individual school districts.

The financial statements of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The following is a summary of the significant accounting policies:

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For financial reporting purposes, the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has included all funds, organizations, agencies, boards, commissions and authorities. The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 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 Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 are such that exclusion would cause the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46'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 Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 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 Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has no component units that meet the Governmental Accounting Standards Board criteria and is not a component unit of any other entity.

Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the activities of Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Position presents Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories: Net investment in capital assets, Restricted net position, and Unrestricted net position.

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

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 Fund - the General Fund is the operating fund of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The following funds comprise the General Fund:

County Support - to account for local revenues and disbursements related to County support.

Spelling Bee Fund - to account for local area business donations that provide funding related to operating spelling bee events.

Media Center - to account for library and video materials available to all the districts in the Region.

Identix Fingerprinting Fund - to account for a fee assessed to Districts and the expenses associated with providing background check/fingerprinting services.

Star Online - agreement between Western Illinois University and Regional Office of Education No. 46 to help area teachers sign up and receive online professional development at a reduced rate.

ROE School Improvement Fund - to account for costs associated with improving school programs and policies for the districts within the Region.

Dental Sealant Fund - to account for the costs associated with providing the dental sealant program to Morgan and Scott County schools.

Registration Fees Fund - to account for local revenues and disbursements related to the alternative school programs.

Paid Lunches Fund - to account for local revenues and disbursements related to school lunches.

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Truants Alternative/Optional Education - State Aid Fund - to account for General State Aid revenues and disbursements associated with the Truants Alternative/Optional Education Program (TAOEP).

Alternative Resource Center (ARC) - State Aid Fund - to account for General State Aid revenues and disbursements associated with the ARC Safe Schools Program.

Job Bank Fund - to account for a fee assessed to districts and the expenses associated with posting job openings on the State website.

Pearson Testing Fund - to account for facility testing fees for licensure, certification, academic admissions, regulatory, and government testing.

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

Education Fund - to account and report for the proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specific purposes supporting education enhancement programs as follows:

Truants Alternative/Optional Education Fund - to account for a grant that provides truancy guidance and alternative education options for applicable students within the Region.

Regional Safe Schools Fund - to account for a grant that provides additional staff and materials for the alternative schools in the Region.

Title I - School Improvement and Accountability - RESPRO - to account for a grant that provides training for various school improvement approaches within the Region.

McKinney Education for Homeless Children Fund - to account for a grant that provides assistance for homeless children within school districts.

Title II - Teacher Quality - RESPRO - to account for a grant to provide Title II coaches to assist Title II Schools with professional development.

Title II - Teacher Quality Fund - to account for a grant to provide professional development opportunities for teachers and administrators.

ROE/ISC Operations - to account for a grant that provides operating funds for the Region.

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Illinois School for the Deaf - contracted arrangement with Illinois School for the Deaf (ISD) and Illinois Department of Human Services to provide payroll services for contracted ISD substitute teachers.

Illinois School for the Visually Impaired - contracted arrangement with Illinois School for the Visually Impaired (ISVI) and Illinois Department of Human Services to provide payroll services for contracted ISVI substitute teachers.

Title II - Teacher Quality Leadership Fund - to account for a grant to provide professional development opportunities for teachers and administrators.

Alternative Schools Fund - to account for the activities and programs of the alternative schools within the Region. The following funds comprise the Alternative Schools Fund:

State Lunch Fund - to account for state revenues and disbursements related to school lunches.

National School Lunch Fund - to account for federal revenues and disbursements related to school lunches.

School Breakfast Fund - to account for federal funds to help offer breakfast programs to the two alternative schools.

Institute Fund - to account for activities associated with the recertification process for teachers, and expenses of meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

Nonmajor Special Revenue Funds - the following special revenue funds are non-major governmental funds:

Bus Driver Fund - to account for the testing and training of bus drivers for the districts within the Region.

General Education Development Fund - to account for administration of General Education Development testing for applicants within the Region.

Agency Funds are used to account for assets held in a trustee capacity or as an agent for individuals, private, or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds include the following:

School Facility Occupation Tax - 1 percent sales tax collected in Cass County for school facility maintenance and improvements to be distributed to the following districts: A-C Central, Beardstown, Meredosia-Chambersburg, PORTA, Triopia, and Virginia.

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Capital asset acquisitions are reported as expenditures in governmental funds.

There are, however, essentially two types of 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. All other revenue items are considered to be measurable and available only when cash is received by the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46.

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

Under the terms of grant agreements, Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. It is the Regional Office of Education No. 46's policy to first apply restricted funds, then unrestricted. For unrestricted fund balance, committed funds are used first, then assigned funds, then unassigned if any.

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the Regional Office on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Assets, Liabilities and Deferred Inflows of Resources

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

Cash and cash equivalents - Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 considers all investments in certificates of deposit with maturities within one year to be cash equivalents.

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

Capital assets - Capital assets, which include furniture and equipment, are reported in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 as assets with an initial, individual cost in excess of \$500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 5-10 years.

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 reviews long-lived assets 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 the carrying amount or fair value less costs to sell.

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Compensated absences - Regular full-time employees who work 12 calendar months earn up to 20 vacation days for a full year of service. Employees who work less than 12 calendar months per year do not earn vacation days. Employees receive up to 10 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

Management estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Governmental Fund Balance

Fund Balance is the net amount of assets, deferred outflows of resources, 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 Illinois Statute: Institute Fund, Bus Driver Fund, and General Education Development 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.

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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 Media Center has an assigned fund balance.

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following fund balances are considered unassigned: County Support, Spelling Bee Fund, Indentix Fingerprinting Fund, Star Online, ROE School Improvement Fund, Dental Sealant Fund, Registration Fees Fund, Truants Alternative/Optional Education - State Aid Fund and Alternative Resource Center (ARC) - State Aid Fund and Pearson Testing Fund.

Net Position

Net position of the Regional Office of Education is classified as follows:

Net investment in Capital Assets - consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of borrowing that are attributable to the acquisition of those assets.

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 assets, deferred outflows of resources, liabilities, and deferred outflows 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 or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as supplementary information.

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 did not formally adopt a budget for the year ended June 30, 2014 and is not legally required to do so; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, the Illinois State Board of Education requires budgets for certain State and Federal programs. These budgets were used to prepare budgetary comparison schedules for the following programs: Truants Alternative/Optional Education Fund, Regional Safe Schools Fund, McKinney Education for Homeless Children Fund, Title II - Teacher Quality Fund, ROE/ISC Operations Fund and Title II - Teacher Quality Leadership Fund.

Subsequent Events

Management has evaluated subsequent events through January 29, 2015, the date the financial statements were available to be issued.

NOTE 2 - DEPOSITS AND INVESTMENTS

The deposit and investment of monies is governed by the provisions of the Illinois Compiled Statutes (30 ILCS-235/2 and 6 and 105 ILCS-5/8-7). At June 30, 2014, the carrying amount of deposits and investments was \$290,878 and the bank balance was \$306,806. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2014.

Deposits

Custodial credit risk - Custodial credit risk is the risk that in the event of a bank failure, Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's deposits may not be returned. Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 does not have a deposit policy for custodial credit risk. The bank balances as of June 30, 2014 were fully secured by federal depository insurance or securities pledged by the Regional Office of Education No. 46's financial institution on behalf of the Regional Office.

Investments

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2014, Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 had investments with carrying and fair values of \$17,751 invested in the Illinois Funds Money Market Fund.

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk - At June 30, 2014 the Illinois Funds Money Market Fund had a Standard 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 the 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 the 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 the portfolio with the exception of cash equivalents and U.S. Treasury securities. Further, certificates of deposit cannot exceed 10% of any single financial institution's total deposits.

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

	<u>Carrying Amount</u>
Cash and cash equivalents - governmental funds	\$ 226,507
Cash - agency	<u>64,371</u>
Total	<u>\$ 290,878</u>

NOTE 3 - ON-BEHALF PAYMENTS

Salaries of the Regional Superintendent and his assistant are paid by the State of Illinois. All other salaries are paid by Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. Pension plan contributions associated with these salaries are also paid respectively, by the State of Illinois and Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46.

A breakdown of the on-behalf payments are as follows:

Regional Superintendent - salary	\$ 104,784
Regional Superintendent - benefits (includes state paid insurance)	22,288
Assistant Regional Superintendent - salary	94,320
Assistant Regional Superintendent - benefits (includes state paid insurance)	2,453
TRS on-behalf payments	137,027
THIS on-behalf payments	<u>1,822</u>
Total on-behalf payments	<u>\$ 362,694</u>

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 3 - ON-BEHALF PAYMENTS (CONTINUED)

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

NOTE 4 - EMPLOYEE BENEFIT PLANS

Teachers' Retirement System of the State of Illinois

The Regional Office of Education participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The state of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

The state of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education No. 46's TRS-covered employees.

- **On-behalf Contributions to TRS.** The state of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 46. For the year ended June 30, 2014, state of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the Regional Office of Education No. 46 recognized revenue and expenditures of \$137,027 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the contribution rates were 28.05 percent (\$183,998) and 24.91 percent (\$161,857), respectively.

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 makes other types of employer contributions directly to TRS:

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$1,090. Contributions for the years ending June 30, 2013 and June 30, 2012, were \$2,669 and \$2,752, respectively.
- **Federal and Special Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 46, there is a statutory requirement for the Regional Office of Education No. 46 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05 and 24.91 percent, respectively. For the year ended June 30, 2014, salaries totaling \$0 were paid from federal and special trust funds that required employer contributions of \$0. For the years ended June 30, 2013 and June 30, 2012, required employer contributions were \$3,510 and \$7,578, respectively.

- **Early Retirement Option.** The Regional Office of Education No. 46 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the years ended June 30, 2014, June 30, 2013 and June 30, 2012, the Regional Office of Education No. 46 paid no employer contributions under the ERO program.
- **Salary increases over 6 percent and excess sick leave.** If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases up to 6 percent.

For the years ended June 30, 2014, June 30, 2013, and June 30, 2012, the Regional Office of Education No. 46 did not make any contributions to TRS for salary increases in excess of 6 percent.

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the years ended June 30, 2014, June 30, 2013, and June 30, 2012, the Regional Office of Education No. 46 did not make any employer contributions to TRS for sick leave days granted in excess of the normal annual allotment.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS website at <http://trs.illinois.gov>.

Illinois Municipal Retirement Fund

Plan Description. The Regional Office of Education No. 46's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 46's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education No. 46's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 16.76 percent. The Regional Office of Education No. 46 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2013 was \$52,757.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$ 52,757	100%	\$ -
12/31/12	57,533	100%	-
12/31/11	45,999	100%	-

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education No. 46's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education No. 46's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 10 year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 77.86 percent funded. The actuarial accrued liability for benefits was \$804,186 and the actuarial value of assets was \$626,110, resulting in an underfunded actuarial accrued liability (UAAL) of \$178,076. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$314,779 and the ratio of the UAAL to the covered payroll was 57 percent.

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

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS

Illinois Municipal Retirement Fund

The Regional Office has evaluated its potential other post employment benefits liability. Former employees who choose to retain their rights to health insurance through the Regional Office are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Regional Office's health insurance plan. Therefore, there has been zero percent utilization and therefore no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Regional Office had no former employees for which it was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Regional Office has not recorded any post employment benefit liability as of June 30, 2014.

Teachers Health Insurance Security Fund

The Regional Office of Education No. 46 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

- **On-behalf Contributions to THIS Fund.** The state of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 46. State contributions are intended to match contributions to the THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$1,822, and the Regional Office of Education No. 46 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of employees were \$4,234 and \$4,176, respectively.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

- **Employer Contributions to the THIS Fund.** The Regional Office of Education No. 46 also makes contributions to the THIS Fund. The Regional Office of Education No. 46 THIS Fund contribution was 0.72 percent during the year ended June 30, 2014 and 0.69 and 0.66 percent during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the Regional Office of Education No. 46 paid \$1,353 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the Regional Office of Education No. 46 paid \$3,175 and \$3,132, respectively, which was 100 percent of the required contribution.

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

NOTE 6 - CAPITAL ASSETS

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

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Governmental activities:				
Furniture and equipment	\$ 95,447	\$ -	\$ (6,397)	\$ 89,050
Less accumulated depreciation	(82,612)	(6,043)	6,397	(82,258)
Total capital assets, net	<u>\$ 12,835</u>	<u>\$ (6,043)</u>	<u>\$ -</u>	<u>\$ 6,792</u>

Depreciation expense was charged as follows:

Governmental activities:

 Education:

 Depreciation

\$ 6,043

NOTE 7 - OPERATING LEASES

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has not entered into any capital lease agreements as lessee for financing. The Regional Office of Education No. 46 entered into a lease agreement for the Regional Office of Education No. 46's Jacksonville Office requiring an annual payment of \$6,000. This agreement is renewable annually. The Regional Office of Education No. 46 entered into a lease agreement for the Lafayette Center/Alternative Resource Center (ARC) in Jacksonville requiring quarterly payments of \$5,000. This agreement is renewable annually. Rent expense for these leases for fiscal year 2014 was \$26,000.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 8 - DUE FROM/TO OTHER GOVERNMENTS

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's General, Special Revenue, and Agency Funds have funds due to and due from various other governmental units which consist of the following:

Due from other governments		
General fund		
Local governments	\$	34,280
Education fund		
Illinois State Board of Education		19,860
Local governments		2,623
Agency fund		
Local governments		<u>136,368</u>
Total due from other governments		<u>\$ 193,131</u>
Due to other governments		
General fund		
Local governments	\$	17,037
Agency fund		
Local governments		<u>200,739</u>
Total due to other governments		<u>\$ 217,776</u>

NOTE 9 - DUE FROM/TO OTHER FUNDS

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

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund		
County Support	\$ 11,453	\$ -
Media Center	-	625
Education Fund		
Truants Alternative/Optional Education Fund	-	6,487
McKinney Education for Homeless Children Fund	-	2,245
ROE/ISC Operations	-	2,096
Total	<u>\$ 11,453</u>	<u>\$ 11,453</u>

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 10 - COMPENSATED ABSENCES

Under terms of employment, employees are granted vacation days in varying amounts up to 20 days. Vacation days earned during a benefit year are allowed to be used during the benefit year plus a 60 day carryover period. Upon termination of an employee eligible to use vacation days, all accumulated days will be paid as of the date of termination. Only benefits considered to be vested are disclosed in these statements.

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Compensated absences	\$ 3,249	\$ 9,890	\$ 10,487	\$ 2,652

NOTE 11 - TRANSFERS

Transfers are generally made to provide supplemental funding or move resources from the fund required to collect the resources to the fund required to expend the resources. The following is the detail of interfund transfers as of June 30, 2014:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
County Support	\$ 970	\$ 84,012
ROE School Improvement Fund	-	525
Paid Lunches Fund	-	2,441
Truants Alternative/Optional Education - State Aid Fund	22,814	34,682
Alternative Resource Center (ARC) - State Aid Fund	103,276	-
Job Bank Fund	74	-
Education Fund		
Truants Alternative/Optional Education Fund	173	-
Regional Safe Schools Fund	9,471	-
Title I - School Improvement and Accountability - RESPRO	525	-
McKinney Education for Homeless Children Fund	4,196	970
Title II - Teacher Quality - RESPRO	618	-
Title II - Teacher Quality Fund	319	-
Illinois School for the Deaf	493	-
Illinois School for the Visually Impaired	74	-
Alternative Schools Fund		
State Lunch Fund	-	392
National School Lunch Fund	-	14,839
School Breakfast Fund	-	5,142
Total	<u>\$ 143,003</u>	<u>\$ 143,003</u>

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 12 - DEFICIT FUND BALANCES

The following funds had deficit fund balances at June 30, 2014:

General Fund:		
Truants Alternative/Optional Education - State Aid Fund	\$	(22,606)
Alternative Resource Center (ARC) - State Aid Fund		(15,392)

Above deficit fund balances are expected to be reversed in the next fiscal year through payments from the State, receipts from local sources and interest income.

NOTE 13 - RISK MANAGEMENT

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 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. Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 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 2014, Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 implemented Governmental Accounting Standards Board (GASB) Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*; GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*; and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. These statements had no impact on the financial statements for the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 also implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This clarified GASB Statement No. 63's presentation of deferred inflows and outflows of resources.

NOTE 15 - PROSPECTIVE ACCOUNTING CHANGE

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

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 16 - REGIONAL OFFICE OF EDUCATION CONSOLIDATION

On November 22, 2013 the Illinois State Board of Education adopted a motion pursuant to its obligation under 105 ILCS 5/3A-4(a), which recognizes consolidations agreed to via county board resolutions prior to June 30, 2013. Effective July 1, 2015, Brown, Cass, Morgan and Scott Counties will be included in the Regional Office of Education No. 01.

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

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
ILLINOIS MUNICIPAL RETIREMENT FUND -
SCHEDULE OF FUNDING PROGRESS
(Unaudited)
June 30, 2014**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 626,110	\$ 804,186	\$ 178,076	77.86%	\$ 314,779	56.57%
12/31/12	594,730	877,006	282,276	67.81%	340,636	82.87%
12/31/11	619,263	873,336	254,073	70.91%	351,403	72.30%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$759,304.
On a market basis, the funded ratio would be 94.42%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

SUPPLEMENTARY INFORMATION

BROWN, CASS, MORGAN AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 46
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 June 30, 2014

SCHEDULE 1

	<u>County</u>	<u>Spelling Bee</u>	<u>Media</u>	<u>Identix</u>	<u>Star</u>
	<u>Support</u>	<u>Fund</u>	<u>Center</u>	<u>Fingerprinting</u>	<u>Online</u>
				<u>Fund</u>	
ASSETS					
Cash and cash equivalents	\$ 124,001	\$ 3,206	\$ 4,520	\$ 3,657	\$ 35
Accounts receivable	-	-	-	-	-
Due from other governments	30,280	-	-	-	-
Due from other funds	11,453	-	-	-	-
Total assets	165,734	3,206	4,520	3,657	35
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 165,734	\$ 3,206	\$ 4,520	\$ 3,657	\$ 35
LIABILITIES					
Accounts payable	\$ 380	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	1,920	-	-	-	-
Due to other governments	3,019	-	-	-	-
Due to other funds	-	-	625	-	-
Unearned revenue	32,042	-	-	-	-
Total liabilities	37,361	-	625	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	30,280	-	-	-	-
FUND BALANCE (DEFICIT)					
Assigned	-	-	3,895	-	-
Unassigned	98,093	3,206	-	3,657	35
Total fund balance (deficit)	98,093	3,206	3,895	3,657	35
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 165,734	\$ 3,206	\$ 4,520	\$ 3,657	\$ 35

BROWN, CASS, MORGAN AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 46
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 June 30, 2014

SCHEDULE 1
 (CONTINUED)

	<u>ROE School</u>	<u>Dental</u>	<u>Registration</u>	<u>Paid</u>	<u>Truants</u>
	<u>Improvement</u>	<u>Sealant</u>	<u>Fees</u>	<u>Lunches</u>	<u>Alternative/</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Optional</u>
					<u>Education -</u>
					<u>State</u>
					<u>Aid</u>
					<u>Fund</u>
ASSETS					
Cash and cash equivalents	\$ 4,022	\$ 14,876	\$ 14,609	\$ -	\$ 331
Accounts receivable	-	500	-	-	797
Due from other governments	-	-	4,000	-	-
Due from other funds	-	-	-	-	-
Total assets	4,022	15,376	18,609	-	1,128
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,022	\$ 15,376	\$ 18,609	\$ -	\$ 1,128
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 4,136
Accrued liabilities	-	-	-	-	11,159
Due to other governments	-	-	-	-	8,439
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	-	-	-	23,734
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
FUND BALANCE (DEFICIT)					
Assigned	-	-	-	-	-
Unassigned	4,022	15,376	18,609	-	(22,606)
Total fund balance (deficit)	4,022	15,376	18,609	-	(22,606)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES	\$ 4,022	\$ 15,376	\$ 18,609	\$ -	\$ 1,128
AND FUND BALANCE (DEFICIT)					

BROWN, CASS, MORGAN AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 46
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 June 30, 2014

SCHEDULE 1
 (CONTINUED)

	Alternative Resource Center (ARC) - State Aid <u>Fund</u>	Job Bank <u>Fund</u>	Pearson Testing <u>Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 26	\$ -	\$ 602	\$ 169,885
Accounts receivable	419	-	-	1,716
Due from other governments	-	-	-	34,280
Due from other funds	-	-	-	11,453
Total assets	445	-	602	217,334
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 445	\$ -	\$ 602	\$ 217,334
LIABILITIES				
Accounts payable	\$ 3,092	\$ -	\$ -	\$ 7,608
Accrued liabilities	7,166	-	-	20,245
Due to other governments	5,579	-	-	17,037
Due to other funds	-	-	-	625
Unearned revenue	-	-	-	32,042
Total liabilities	15,837	-	-	77,557
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	30,280
FUND BALANCE (DEFICIT)				
Assigned	-	-	-	3,895
Unassigned	(15,392)	-	602	105,602
Total fund balance (deficit)	(15,392)	-	602	109,497
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 445	\$ -	\$ 602	\$ 217,334

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
GENERAL FUND ACCOUNTS
Year Ended June 30, 2014**

SCHEDULE 2

	<u>County Support</u>	<u>Spelling Bee Fund</u>	<u>Media Center</u>	<u>Identix Fingerprinting Fund</u>	<u>Star Online</u>
REVENUES:					
Local sources	\$ 163,385	\$ 1,208	\$ 5,452	\$ 3,910	\$ 10
State sources	-	-	-	-	-
On-behalf payments	<u>362,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>526,079</u>	<u>1,208</u>	<u>5,452</u>	<u>3,910</u>	<u>10</u>
EXPENDITURES:					
Education:					
Salaries	84,024	-	-	-	-
Benefits	28,112	-	-	-	-
Purchased services	11,041	165	2,500	2,762	150
Supplies and materials	1,322	463	-	-	-
Miscellaneous	5,579	-	-	-	-
On-behalf payments	362,694	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>492,772</u>	<u>628</u>	<u>2,500</u>	<u>2,762</u>	<u>150</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	33,307	580	2,952	1,148	(140)
OTHER FINANCING SOURCES (USES):					
Transfers in	970	-	-	-	-
Transfers out	<u>(84,012)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(83,042)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(49,735)	580	2,952	1,148	(140)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>147,828</u>	<u>2,626</u>	<u>943</u>	<u>2,509</u>	<u>175</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 98,093</u>	<u>\$ 3,206</u>	<u>\$ 3,895</u>	<u>\$ 3,657</u>	<u>\$ 35</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
GENERAL FUND ACCOUNTS
Year Ended June 30, 2014**

**SCHEDULE 2
(CONTINUED)**

	ROE School Improvement <u>Fund</u>	Dental Sealant <u>Fund</u>	Registration Fees <u>Fund</u>	Paid Lunches <u>Fund</u>	Truants Alternative/ Optional Education - State Aid <u>Fund</u>
REVENUES:					
Local sources	\$ 4,155	\$ 38	\$ 4,237	\$ 2,441	\$ 419
State sources	-	1,967	-	-	278,829
On-behalf payments	-	-	-	-	-
Total revenues	4,155	2,005	4,237	2,441	279,248
EXPENDITURES:					
Education:					
Salaries	-	-	-	-	118,762
Benefits	-	-	-	-	42,115
Purchased services	3,387	839	-	-	43,198
Supplies and materials	64	333	-	-	13,061
Miscellaneous	-	-	-	-	3,729
On-behalf payments	-	-	-	-	-
Capital outlay	-	-	-	-	382
Total expenditures	3,451	1,172	-	-	221,247
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	704	833	4,237	2,441	58,001
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	22,814
Transfers out	(525)	-	-	(2,441)	(34,682)
Total other financing sources (uses)	(525)	-	-	(2,441)	(11,868)
NET CHANGE IN FUND BALANCE	179	833	4,237	-	46,133
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	3,843	14,543	14,372	-	(68,739)
FUND BALANCE (DEFICIT), END OF YEAR	\$ 4,022	\$ 15,376	\$ 18,609	\$ -	\$ (22,606)

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
GENERAL FUND ACCOUNTS
Year Ended June 30, 2014**

**SCHEDULE 2
(CONTINUED)**

	Alternative Resource Center (ARC) - State Aid <u>Fund</u>	Job Bank <u>Fund</u>	Pearson Testing <u>Fund</u>	<u>Total</u>
REVENUES:				
Local sources	\$ -	\$ 1,350	\$ 602	\$ 187,207
State sources	129,834	-	-	410,630
On-behalf payments	-	-	-	362,694
Total revenues	129,834	1,350	602	960,531
EXPENDITURES:				
Education:				
Salaries	86,389	-	-	289,175
Benefits	27,674	-	-	97,901
Purchased services	18,307	1,350	-	83,699
Supplies and materials	8,853	-	-	24,096
Miscellaneous	2,485	-	-	11,793
On-behalf payments	-	-	-	362,694
Capital outlay	-	-	-	382
Total expenditures	143,708	1,350	-	869,740
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,874)	-	602	90,791
OTHER FINANCING SOURCES (USES):				
Transfers in	103,276	74	-	127,134
Transfers out	-	-	-	(121,660)
Total other financing sources (uses)	103,276	74	-	5,474
NET CHANGE IN FUND BALANCE	89,402	74	602	96,265
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(104,794)	(74)	-	13,232
FUND BALANCE (DEFICIT), END OF YEAR	\$ (15,392)	\$ -	\$ 602	\$ 109,497

BROWN, CASS, MORGAN AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 46
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2014

	Truants Alternative/ Optional Education <u>Fund</u>	Regional Safe Schools <u>Fund</u>	Title I - School Improvement and Accountability - <u>RESPRO</u>	McKinney Education for Homeless Children <u>Fund</u>	Title II - Teacher Quality - <u>RESPRO</u>	Title II - Teacher Quality <u>Fund</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ 2,474	\$ 2,890	\$ -	\$ -	\$ -
Accounts receivable	-	-	4,197	-	-	-
Due from other governments	15,638	4,222	-	2,299	-	-
Total assets	15,638	6,696	7,087	2,299	-	-
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 15,638</u>	<u>\$ 6,696</u>	<u>\$ 7,087</u>	<u>\$ 2,299</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES						
Accounts payable	\$ 78	\$ 119	\$ 7,087	\$ 54	\$ -	\$ -
Accrued liabilities	9,073	6,577	-	-	-	-
Due to other funds	6,487	-	-	2,245	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	15,638	6,696	7,087	2,299	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
FUND BALANCE						
None	-	-	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 15,638</u>	<u>\$ 6,696</u>	<u>\$ 7,087</u>	<u>\$ 2,299</u>	<u>\$ -</u>	<u>\$ -</u>

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2014

	<u>ROE/ISC Operations</u>	<u>Illinois School for the Deaf</u>	<u>Illinois School for the Visually Impaired</u>	<u>Title II - Teacher Quality Leadership Fund</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 2,096	\$ -	\$ -	\$ 1,213	\$ 8,673
Accounts receivable	-	-	-	-	4,197
Due from other governments	-	142	182	-	22,483
Total assets	<u>2,096</u>	<u>142</u>	<u>182</u>	<u>1,213</u>	<u>35,353</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,096</u>	<u>\$ 142</u>	<u>\$ 182</u>	<u>\$ 1,213</u>	<u>\$ 35,353</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 7,338
Accrued liabilities	-	-	-	-	15,650
Due to other funds	2,096	-	-	-	10,828
Unearned revenue	-	-	-	1,213	1,213
Total liabilities	<u>2,096</u>	<u>-</u>	<u>-</u>	<u>1,213</u>	<u>35,029</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>-</u>	<u>142</u>	<u>182</u>	<u>-</u>	<u>324</u>
FUND BALANCE					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,096</u>	<u>\$ 142</u>	<u>\$ 182</u>	<u>\$ 1,213</u>	<u>\$ 35,353</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2014**

SCHEDULE 4

	Truants Alternative/ Optional Education <u>Fund</u>	Regional Safe Schools <u>Fund</u>	Title I - School Improvement and Accountability - <u>RESPRO</u>	McKinney Education for Homeless Children <u>Fund</u>	Title II - Teacher Quality - <u>RESPRO</u>	Title II - Teacher Quality <u>Fund</u>
REVENUES:						
Local sources	\$ 3	\$ -	\$ -	\$ 4	\$ 4	\$ -
State sources	86,009	50,335	-	-	-	-
Federal sources	-	-	7,086	19,453	3,826	980
Total revenues	<u>86,012</u>	<u>50,335</u>	<u>7,086</u>	<u>19,457</u>	<u>3,830</u>	<u>980</u>
EXPENDITURES:						
Education:						
Salaries	71,970	57,561	-	15,360	-	-
Benefits	12,337	1,658	525	6,638	-	-
Purchased services	1,878	587	6,984	540	2,189	980
Supplies and materials	-	-	102	145	413	-
Miscellaneous	-	-	-	-	1,656	-
Total expenditures	<u>86,185</u>	<u>59,806</u>	<u>7,611</u>	<u>22,683</u>	<u>4,258</u>	<u>980</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(173)</u>	<u>(9,471)</u>	<u>(525)</u>	<u>(3,226)</u>	<u>(428)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	173	9,471	525	4,196	618	319
Transfers out	-	-	-	(970)	-	-
Total other financing sources (uses)	<u>173</u>	<u>9,471</u>	<u>525</u>	<u>3,226</u>	<u>618</u>	<u>319</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-	-	190	319
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	-	-	-	-	(190)	(319)
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 46
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES (DEFICITS)
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2014**

**SCHEDULE 4
 (CONTINUED)**

	<u>ROE/ISC Operations</u>	<u>Illinois School for the Deaf</u>	<u>Illinois School for the Visually Impaired</u>	<u>Title II - Teacher Quality Leadership Fund</u>	<u>Totals</u>
REVENUES:					
Local sources	\$ 1	\$ 3	\$ 268	\$ 13	\$ 296
State sources	24,805	-	-	-	161,149
Federal sources	-	-	-	1,306	32,651
Total revenues	24,806	3	268	1,319	194,096
EXPENDITURES:					
Education:					
Salaries	19,738	360	-	119	165,108
Benefits	4,904	-	-	-	26,062
Purchased services	164	-	-	1,200	14,522
Supplies and materials	-	-	-	-	660
Miscellaneous	-	-	-	-	1,656
Total expenditures	24,806	360	-	1,319	208,008
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(357)	268	-	(13,912)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	493	74	-	15,869
Transfers out	-	-	-	-	(970)
Total other financing sources (uses)	-	493	74	-	14,899
NET CHANGE IN FUND BALANCE (DEFICIT)	-	136	342	-	987
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	-	(136)	(342)	-	(987)
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -

**BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2014**

	Truants Alternative/Optional Educaiton Fund				Regional Safe Schools Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ -
State sources	86,009	86,009	86,009	-	50,335	50,335	50,335	-
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>86,009</u>	<u>86,009</u>	<u>86,012</u>	<u>3</u>	<u>50,335</u>	<u>50,335</u>	<u>50,335</u>	<u>-</u>
EXPENDITURES:								
Education:								
Salaries	63,395	63,395	71,970	(8,575)	48,536	48,536	57,561	(9,025)
Benefits	13,278	13,278	12,337	941	1,504	1,504	1,658	(154)
Purchased services	1,926	1,926	1,878	48	295	295	587	(292)
Supplies and materials	7,410	7,410	-	7,410	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total expenditures	<u>86,009</u>	<u>86,009</u>	<u>86,185</u>	<u>(176)</u>	<u>50,335</u>	<u>50,335</u>	<u>59,806</u>	<u>(9,471)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>(173)</u>	<u>\$ (173)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(9,471)</u>	<u>\$ (9,471)</u>
OTHER FINANCING SOURCES (USES):								
Transfers in			173				9,471	
Transfers out			-				-	
Total other financing sources (uses)			<u>173</u>				<u>9,471</u>	
NET CHANGE IN FUND BALANCE (DEFICIT)			-				-	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>-</u>				<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>				<u>\$ -</u>	

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2014

	McKinney Education for Homeless Children Fund				Title II - Teacher Quality Fund			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:								
Local sources	\$ -	\$ -	\$ 4	\$ 4	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	19,453	19,453	19,453	-	1,233	1,233	980	(253)
Total revenues	19,453	19,453	19,457	4	1,233	1,233	980	(253)
EXPENDITURES:								
Education:								
Salaries	14,000	14,000	15,360	(1,360)	-	-	-	-
Benefits	3,383	3,383	6,638	(3,255)	-	-	-	-
Purchased services	1,770	1,770	540	1,230	1,144	1,144	980	164
Supplies and materials	300	300	145	155	-	-	-	-
Miscellaneous	-	-	-	-	89	89	-	89
Total expenditures	19,453	19,453	22,683	(3,230)	1,233	1,233	980	253
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	(3,226)	\$ (3,226)	\$ -	\$ -	-	\$ -
OTHER FINANCING SOURCES (USES):								
Transfers in			4,196				319	
Transfers out			(970)				-	
Total other financing sources (uses)			3,226				319	
NET CHANGE IN FUND BALANCE (DEFICIT)			-				319	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			-				(319)	
FUND BALANCE, END OF YEAR			\$ -				\$ -	

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2014

	ROE/ISC Operations				Title II - Teacher Quality Leadership Fund			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:								
Local sources	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ 13	\$ 13
State sources	24,805	24,805	24,805	-	-	-	-	-
Federal sources	-	-	-	-	2,519	2,519	1,306	(1,213)
Total revenues	<u>24,805</u>	<u>24,805</u>	<u>24,806</u>	<u>1</u>	<u>2,519</u>	<u>2,519</u>	<u>1,319</u>	<u>(1,200)</u>
EXPENDITURES:								
Education:								
Salaries	19,663	19,663	19,738	(75)	119	119	119	-
Benefits	5,010	5,010	4,904	106	-	-	-	-
Purchased services	132	132	164	(32)	2,400	2,400	1,200	1,200
Supplies and materials	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total expenditures	<u>24,805</u>	<u>24,805</u>	<u>24,806</u>	<u>(1)</u>	<u>2,519</u>	<u>2,519</u>	<u>1,319</u>	<u>1,200</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES):								
Transfers in			-				-	
Transfers out			-				-	
Total other financing sources (uses)			<u>-</u>				<u>-</u>	
NET CHANGE IN FUND BALANCE (DEFICIT)			-				-	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>-</u>				<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>				<u>\$ -</u>	

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
COMBINING SCHEDULE OF ACCOUNTS
ALTERNATIVE SCHOOLS FUND ACCOUNTS
 June 30, 2014

SCHEDULE 6

	<u>State Lunch Fund</u>	<u>National School Lunch Fund</u>	<u>School Breakfast Fund</u>	<u>Totals</u>
ASSETS				
None	\$ -	\$ -	\$ -	\$ -
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
None	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
FUND BALANCE				
None	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BROWN, CASS, MORGAN AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 46
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 ALTERNATIVE SCHOOLS FUND
 Year Ended June 30, 2014

SCHEDULE 7

	<u>State Lunch Fund</u>	<u>National School Lunch Fund</u>	<u>School Breakfast Fund</u>	<u>Totals</u>
REVENUES:				
Local sources	\$ -	\$ 20	\$ 6	\$ 26
State sources	392	-	-	392
Federal sources	-	14,819	5,136	19,955
Total revenues	392	14,839	5,142	20,373
EXPENDITURES:				
None	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	392	14,839	5,142	20,373
OTHER FINANCING USES:				
Transfers out	(392)	(14,839)	(5,142)	(20,373)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2014

	Bus Driver Fund	General Education Development Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 2,394	\$ 8,758	\$ 11,152
Accounts receivable	-	13	13
Total assets	<u>2,394</u>	<u>8,771</u>	<u>11,165</u>
DEFERRED OUTFLOWS OF RESOURCES			
None	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,394</u>	<u>\$ 8,771</u>	<u>\$ 11,165</u>
LIABILITIES			
Accounts payable	\$ -	\$ 184	\$ 184
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
FUND BALANCE			
Restricted	<u>2,394</u>	<u>8,587</u>	<u>10,981</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,394</u>	<u>\$ 8,771</u>	<u>\$ 11,165</u>

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2014

	Bus Driver Fund	General Education Development Fund	Totals
REVENUES:			
Local sources	\$ 1,981	\$ 5,111	\$ 7,092
State sources	632	-	632
Total revenues	<u>2,613</u>	<u>5,111</u>	<u>7,724</u>
EXPENDITURES:			
Education:			
Purchased services	2,114	325	2,439
Supplies and materials	-	1,041	1,041
Payments to other governments	-	535	535
Total expenditures	<u>2,114</u>	<u>1,901</u>	<u>4,015</u>
NET CHANGE IN FUND BALANCE	499	3,210	3,709
FUND BALANCE, BEGINNING OF YEAR	<u>1,895</u>	<u>5,377</u>	<u>7,272</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,394</u>	<u>\$ 8,587</u>	<u>\$ 10,981</u>

BROWN, CASS, MORGAN AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 46
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2014

	<u>Balance,</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2014</u>
<u>SCHOOL FACILITY OCCUPATION TAX</u>				
ASSETS				
Cash	\$ 60,287	\$ 775,547	\$ 771,463	\$ 64,371
Due from other governments	<u>126,095</u>	<u>785,820</u>	<u>775,547</u>	<u>136,368</u>
TOTAL ASSETS	<u>\$ 186,382</u>	<u>\$ 1,561,367</u>	<u>\$ 1,547,010</u>	<u>\$ 200,739</u>
LIABILITIES				
Due to other governments	<u>\$ 186,382</u>	<u>\$ 785,820</u>	<u>\$ 771,463</u>	<u>\$ 200,739</u>