

STATE OF ILLINOIS  
ROCK ISLAND COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 49  
FINANCIAL AUDIT  
(In Accordance with the Single Audit Act and OMB Circular A-133)  
For the Year Ended June 30, 2015

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

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ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

OFFICIALS

Regional Superintendent

Ms. Tammy Muerhoff  
(July 1, 2014 to present)

Assistant Regional Superintendent

Ms. Jodie Atteberry  
(July 1, 2014 to present)

Offices are located at:

3430 Avenue of the Cities  
Moline, Illinois 61265

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
COMPLIANCE REPORT SUMMARY

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit Findings	2	2
Repeated Audit Findings	2	2
Prior recommendations implemented or not repeated	0	0

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>Findings (Government Auditing Standards)</i>			
2015-001	15	Controls over Financial Statement Preparation	Material Weakness
2015-002	17	Departure from Generally Accepted Accounting Principles	Material Weakness
<i>Findings and Questioned Costs (Federal Compliance)</i>			
None			
<i>Prior Findings Not Repeated (Government Auditing Standards)</i>			
None			
<i>Prior Findings Not Repeated (Federal Compliance)</i>			
None			

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 26, 2015. Attending were Tammy Muerhoff, Regional Superintendent, and Michael Remmele, auditor. Responses to the recommendations were provided by Tammy Muerhoff on February 25, 2016.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
FINANCIAL STATEMENT REPORT  
SUMMARY

The audit of the accompanying basic financial statements of Rock Island County Regional Office of Education No. 49 was performed by Ginoli & Company Ltd.

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



CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rock Island County Regional Office of Education No. 49, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Rock Island County Regional Office of Education No. 49'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' judgement, 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.

**Basis for Qualified Opinion**

The Regional Office of Education No. 49 did not recognize and disclose postretirement benefits other than pensions (OPEB) in their financial statements as required by Governmental Accounting Standards Board No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Disclosure of that information is required to conform with accounting principles generally accepted in the United States of America. The effects of this departure from U.S. generally accepted accounting principles on the financial statements of the Regional Office of Education No. 49 are not reasonably determinable.

**Opinions**

In our opinion, except for the effects of not recognizing a liability for postemployment benefits other than pensions in the Statement of Net Position and the Statement of Activities as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rock Island County Regional Office of Education No. 49, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.





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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Rock Island County Regional Office of Education No. 49, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Rock Island County Regional Office of Education No. 49's basic financial statements, and have issued our report thereon dated July 7, 2016. The report on governmental and business-type activities was qualified because the Regional Office of Education No. 49 did not recognize and disclose postemployment benefits other than pensions (OPEB) in their financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Rock Island County Regional Office of Education No. 49's internal control over financial reporting (internal control) to determine the auditing 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 Rock Island County Regional Office of Education No. 49's internal control. Accordingly, we do not express an opinion on the effectiveness of Rock Island County Regional Office of Education No. 49's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002 to be material weaknesses.

Compliance and Other Matters

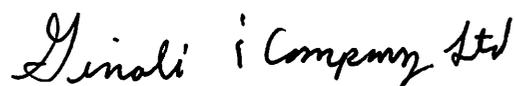
As part of obtaining reasonable assurance about whether the Rock Island County Regional Office of Education No. 49's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance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

Regional Office of Education No. 49's Responses to Findings

Rock Island County Regional Office of Education No. 49's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Rock Island County Regional Office of Education No. 49's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Rock Island County Regional Office of Education No. 49's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rock Island County Regional Office of Education No. 49's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



GINOLI & COMPANY LTD  
Certified Public Accountants

Peoria, Illinois  
July 7, 2016



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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited the Rock Island County Regional Office of Education No. 49's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Rock Island County Regional Office of Education No. 49's major federal programs for the year ended June 30, 2015. The Rock Island County Regional Office of Education No. 49's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Rock Island County Regional Office of Education No. 49's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Rock Island County Regional Office of Education No. 49's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Rock Island County Regional Office of Education No. 49's compliance.

Opinion on Each Major Federal Program

In our opinion, the Rock Island County Regional Office of Education No. 49 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### Report on Internal Control Over Compliance

Management of the Rock Island County Regional Office of Education No. 49 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Rock Island County Regional Office of Education No. 49's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Rock Island County Regional Office of Education No. 49's internal control over compliance.

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

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

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



GINOLI & COMPANY LTD  
Certified Public Accountants

Peoria, Illinois  
July 7, 2016

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

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Section I -- Summary of Auditor's Results

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**Financial Statements**

Type of auditor's report issued: qualified

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

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

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015  
(CONTINUED)

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Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
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84.287	Title IV - 21st Century
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Dollar threshold used to distinguish between  
Type A and Type B programs:      \$ \_\_\_\_\_

300,000

Auditee qualified as low-risk auditee

\_\_\_\_\_ yes      X   no    \_\_\_\_\_ n/a

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015

**FINDING NO. 2015-001 - Controls Over Financial Statement Preparation (Repeat of prior years findings: 2014-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1)**

*Criteria/Specific Requirement:*

The Rock Island County Regional Office of Education No. 49 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Rock Island County Regional Office of Education No. 49's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

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

*Condition:*

The Regional Office of Education No. 49 does not have sufficient internal controls over the financial reporting process. The Rock Island County Regional Office of Education No. 49 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Rock Island County Regional Office of Education No. 49 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education No. 49's financial information prepared by the Regional Office of Education No. 49, we noted the Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, and unearned revenue. While the Regional Office did maintain records to indicate the balances of accounts receivable, accounts payable, and unearned revenue, not all entries were provided to reconcile the Regional Office of Education No. 49's grant activity, such as posting grant receivables, unearned revenue, and other accrual entries.

Through inquiries and discussions with the ROE's accounting personnel and Regional Superintendent, auditors noted that the ROE did not have adequate controls to record and report the ROE's net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources and pension expenses in accordance with GAAP.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015

**FINDING NO. 2015-001 - Controls Over Financial Statement Preparation (Repeat of prior years findings: 2014-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1, and 07-1)**

*Effect:*

The Regional Office of Education No. 49's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

*Cause:*

According to the Rock Island County Regional Office of Education No. 49's officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

*Auditors' Recommendation:*

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

*Management's Response:*

The Rock Island County Regional Office of Education has four positions which have some form of direct review, contact, and oversight of its financial statements. These individuals have attended and will continue to attend training opportunities to enhance their knowledge of the applicable accounting principles and other areas necessary in order to obtain a sufficient set of internal controls over financial statement preparation. There will be continued oversight, direct review, and contact of the financial statements of the Rock Island County Regional Office of Education. Opportunities to review and provide additional oversight will be pursued to ensure the utmost level of monitoring of all financial assets.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015

**FINDING NO. 2015-002 - Departure from Generally Accepted Accounting Principles (Repeat of prior years findings: 2014-002, 13-002, 12-2, 11-2 and 10-2)**

*Criteria/Specific Requirement:*

The Illinois Administrative Code (74 Ill. Adm. Code 420.320 (c) (1) and (2)) requires that each Regional Office of Education (ROE) maintain the accounting records necessary to prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (OPEB), requires that employers recognize and disclose OPEB expense. Net OPEB obligations, if any, should be reported as liabilities (or assets if overfunded) in the financial statements. For financial reporting purposes, an actuarial valuation is required to measure and disclose the annual OPEB cost. In certain circumstances, an alternative measurement method can be applied instead of obtaining an actuarial valuation.

*Condition:*

The Rock Island County Regional Office of Education No. 49 (ROE No. 49) participates in a defined benefit OPEB plan that provides postemployment benefits other than pensions to its employees in exchange for employee services rendered. Under accrual accounting, the cost of OPEB, and any related OPEB liability, should generally be recorded in the period when the exchange for the employees' services occurs, rather than when the benefits are paid. Currently, ROE No. 49's OPEB plan is financed on a pay-as-you-go basis, and as such, the financial statements do not report the financial effects of OPEB until the promised benefits are paid. The ROE No. 49 did not obtain an actuarial valuation of its postemployment benefits other than pensions liability, or apply the alternative measurement method in order to be in compliance with GASB Statement No. 45.

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of ROE No. 49 as of June 30, 2015.

*Effect:*

Failure to apply the accounting and reporting requirements of GASB Statement No. 45 could result in misstatements of ROE No. 49's financial statements. This could also result in inaccurate and incomplete disclosure of the OPEB plan description, the funding policy, and the annual OPEB and net OPEB obligation.

*Cause:*

According to Regional Office officials, there is inadequate funding for the required actuarial services needed to be in compliance with the GASB Pronouncement. This led to the failure to implement GASB Statement No. 45.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015

**FINDING NO. 2015-002 - Departure from Generally Accepted Accounting Principles (Repeat of prior years findings: 2014-002, 13-002, 12-2, 11-2 and 10-2)**

*Recommendation:*

The ROE No. 49 should obtain an actuarial valuation or apply the alternative measurement method to determine its other postemployment benefit liability to be in compliance with GASB Statement No. 45 and include all disclosures required by the Statement in its financial statements.

*Management's Response:*

The Rock Island County Regional Office of Education is not currently funded adequately by the State of Illinois to perform an actuarial valuation check of retirement costs. An actuarial valuation will continue to be researched as funds become available by the Rock Island County Regional Office of Education.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION III – FEDERAL AWARD FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015

None for the year ended June 30, 2015.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015

**Finding No. 2015-001 – Controls Over Financial Statement Preparation (Repeat of prior years findings: 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1)**

**Condition:**

The Regional Office of Education No. 49 does not have sufficient internal controls over the financial reporting process. The Rock Island County Regional Office of Education No. 49 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Rock Island County Regional Office of Education No. 49 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education No. 49's financial information prepared by the Regional Office of Education No. 49, we noted the Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, and unearned revenue. While the Regional Office did maintain records to indicate the balances of accounts receivable, accounts payable, and unearned revenue, not all entries were provided to reconcile the Regional Office of Education No. 49's grant activity, such as posting grant receivables, unearned revenue, and other accrual entries.

Through inquiries and discussions with the ROE's accounting personnel and Regional Superintendent, auditors noted that the ROE did not have adequate controls to record and report the ROE's net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources and pension expenses in accordance with GAAP.

**Corrective Action Plan:**

The Rock Island County Regional Office of Education has four positions which have some form of direct review, contact, and oversight of its financial statements. These individuals have attended and will continue to attend training opportunities to enhance their knowledge of the applicable accounting principles and other areas necessary in order to obtain a sufficient set of internal controls over financial statement preparation. There will be continued oversight, direct review, and contact of the financial statements of the Rock Island County Regional Office of Education. Opportunities to review and provide additional oversight will be pursued to ensure the utmost level of monitoring of all financial assets.

**ANTICIPATED DATE OF COMPLETION:**

Undetermined

**CONTACT PERSON:**

Tammy Muerhoff, Regional Superintendent

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015

**Finding No. 2015-002 – Departure from Generally Accepted Accounting Principles  
(Repeat of prior years findings: 14-002, 13-002, 12-2, 11-2 and  
10-2)**

**Condition:**

The Rock Island County Regional Office of Education No. 49 (ROE No. 49) participates in a defined benefit OPEB plan that provides postemployment benefits other than pensions to its employees in exchange for employee services rendered. Under accrual accounting, the cost of OPEB, and any related OPEB liability, should generally be recorded in the period when the exchange for the employees' services occurs, rather than when the benefits are paid. Currently, ROE No. 49's OPEB plan is financed on a pay-as-you-go basis, and as such, the financial statements do not report the financial effects of OPEB until the promised benefits are paid. The ROE No. 49 did not obtain an actuarial valuation of its postemployment benefits other than pensions liability, or apply the alternative measurement method in order to be in compliance with GASB Statement No. 45.

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of ROE No. 49 as of June 30, 2015.

**Corrective Action Plan:**

The Rock Island County Regional Office of Education is not currently funded adequately by the State of Illinois to perform an actuarial valuation check of retirement costs. An actuarial valuation will continue to be researched as funds become available by the Rock Island County Regional Office of Education.

**ANTICIPATED DATE OF COMPLETION:**

Undetermined

**CONTACT PERSON:**

Tammy Muerhoff, Regional Superintendent

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
2014-001	Controls over financial statement preparation	Repeated 2015-001
2014-002	Departure from Generally Accepted Accounting Principles	Repeated 2015-002

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

Rock Island County Regional Office of Education No. 49 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with Rock Island County Regional Office of Education No. 49's financial statements, which follow.

**2015 FINANCIAL HIGHLIGHTS**

- General Fund revenues decreased from \$687,614 in fiscal year 2014 to \$416,153 in fiscal year 2015. General Fund expenditures decreased from \$687,614 in fiscal year 2014 to \$416,153 in fiscal year 2015. The decrease in revenues and expenditures is due to a decrease in the On-behalf payments.
- Institute Fund revenues increased from \$36,371 in fiscal year 2014 to \$50,151 in fiscal year 2015, a 38% increase from 2014. This increase is due to an increase in application and registration fee income. Expenditures in the Institute Fund decreased from \$39,696 in fiscal year 2014 to \$19,313 in fiscal year 2015. The decrease in expenditures was primarily due to the salary of the Licensure Specialist being paid out of the Institute fund in 2014 and there was a decrease in the salary of the Licensure Specialist being paid out of the Institute Fund in 2015.
- Education Fund revenues decreased from \$3,922,497 in fiscal year 2014 to \$3,260,724 in fiscal year 2015. Expenditures decreased from \$3,901,771 in fiscal year 2014 to \$3,290,040 in fiscal year 2015. The decrease in revenues is primarily due to a decrease in grants after various FY14 programs finalized in early FY15. The decrease in expenditures is primarily due to grants finalizing before year end FY15.
- Enterprise Workshop Fund revenues increased 3% from \$326,612 in fiscal year 2014 to \$337,150 in fiscal year 2015. Enterprise Workshop Fund expenditures increased 17% from \$228,614 in fiscal year 2014 to \$266,903 in fiscal year 2015. The fluctuation in revenues and expenditures is spread across multiple workshops. The revenue fluctuation has no clear factor creating these changes. Expenditures under the category of purchased services were down due to the reduced use of third parties.
- Government-wide revenues decreased 14% from \$4,954,160 in fiscal year 2014 to \$4,239,734 in fiscal year 2015. Government-wide expenses decreased 16% from \$4,871,795 in fiscal year 2014 to \$4,082,696 in fiscal year 2015.

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

**USING THIS ANNUAL REPORT**

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

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

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

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

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

Required Supplemental Information further explains and supports the financial statements with information about the Illinois Municipal Retirement Fund and Teachers' Retirement System pension liabilities and employer contributions.

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

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

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

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

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

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

***Government-wide Financial Statements***

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

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

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

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

***Fund Financial Statements***

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

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

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

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

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

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

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

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

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

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

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

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

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

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

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

**Government-Wide Financial Analysis**

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of Rock Island County Regional Office of Education No. 49, liabilities exceeded assets by \$250,060 as of June 30, 2015. The net effect of required deferred inflows and deferred outflows of pension activity was a liability of \$542,596.

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

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

The following table presents a summary of Rock Island County Regional Office of Education No. 49's net position for the fiscal year ended June 30, 2015 and 2014.

**2015**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
Current assets	\$ 346,267	\$ 664,515	\$ 1,010,782
Capital assets, net of accumulated depreciation	42,544	3,531	46,075
Net pension asset	155,668	-	155,668
Total assets	<u>544,479</u>	<u>668,046</u>	<u>1,212,525</u>
 Deferred outflows related to pensions	 <u>67,092</u>	 <u>-</u>	 <u>67,092</u>
 Current liabilities	 192,439	 25,883	 218,322
Net pension liabilities	701,667	-	701,667
Total liabilities	<u>894,106</u>	<u>25,883</u>	<u>919,989</u>
 Deferred inflows related to pensions	 <u>609,688</u>	 <u>-</u>	 <u>609,688</u>
 Net position			
Invested in capital assets, net of related debt	42,544	3,531	46,075
Unrestricted	(1,244,263)	638,632	(605,631)
Restricted - other	309,496	-	309,496
<b>Total net position</b>	<b><u>\$ (892,223)</u></b>	<b><u>\$ 642,163</u></b>	<b><u>\$ (250,060)</u></b>

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

**2014**

	<b><u>Governmental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>Total</u></b>
Current assets	\$ 609,041	\$ 578,251	\$ 1,187,292
Capital assets, net of accumulated depreciation	<u>51,174</u>	<u>7,382</u>	<u>58,556</u>
Total assets	<u>660,215</u>	<u>585,633</u>	<u>1,245,848</u>
 Current liabilities	 <u>478,608</u>	 <u>13,717</u>	 <u>492,325</u>
 Net position			
Invested in capital assets, net of related debt	51,174	7,382	58,556
Unrestricted	-	564,534	564,534
Restricted for educational purposes	<u>130,433</u>	<u>-</u>	<u>130,433</u>
<b>Total net position</b>	<b><u>\$ 181,607</u></b>	<b><u>\$ 571,916</u></b>	<b><u>\$ 753,523</u></b>

**Changes in net position.** Rock Island County Regional Office of Education No. 49's total revenue for the fiscal year ended June 30, 2015 was \$4,239,734. The total cost of all programs and services was \$4,082,696. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and 2014.

**2015**

	<b><u>Governmental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>Total</u></b>
<b>Revenues:</b>			
Program revenues			
Charges for services	\$ -	\$ 337,150	\$ 337,150
Operating grants and contributions	3,391,973	-	3,391,973
General revenues			
Local sources	55,702	-	55,702
On-behalf payments	<u>454,909</u>	<u>-</u>	<u>454,909</u>
Total revenues	<u>3,902,584</u>	<u>337,150</u>	<u>4,239,734</u>

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

**2015**

	<b><u>Governmental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>Total</u></b>
<b>Expenses:</b>			
Instructional services			
Salaries	\$ 1,095,960	\$ 74,833	\$ 1,170,793
Benefits	46,185	6,627	52,812
Purchased services	1,440,601	149,517	1,590,118
Supplies and materials	159,131	26,109	185,240
Payments to other governments	624,963	-	624,963
Depreciation	19,415	4,455	23,870
Pension expense (income)	(25,371)	5,362	(20,009)
Administrative			
On-behalf payments	<u>454,909</u>	<u>-</u>	<u>454,909</u>
Total expenses	<u>3,815,793</u>	<u>266,903</u>	<u>4,082,696</u>
Change in net position	86,791	70,247	157,038
<b>Net position, beginning of year</b>	<u>(979,014)</u>	<u>571,916</u>	<u>(407,098)</u>
<b>Net position, end of year</b>	<u>\$ (892,223)</u>	<u>\$ 642,163</u>	<u>\$ (250,060)</u>

Operating grants and contributions account for 79% of the total revenue. Rock Island County Regional Office of Education No. 49's expenses primarily relate to instructional services, which account for 88% of the total expenses.

**2014**

	<b><u>Governmental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>Total</u></b>
<b>Revenues:</b>			
Program revenues			
Charges for services	\$ -	\$ 326,612	\$ 326,612
Operating grants and contributions	3,996,192	-	3,996,192
General revenues			
Local sources	50,454	-	50,454
On-behalf payments	<u>580,902</u>	<u>-</u>	<u>580,902</u>
Total revenues	<u>4,627,548</u>	<u>326,612</u>	<u>4,954,160</u>

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

<b><u>2014</u></b>	<b><u>Governmental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>Total</u></b>
<b>Expenses:</b>			
Instructional services			
Salaries	\$ 1,095,574	\$ 107,350	\$ 1,202,924
Benefits	133,519	18,004	151,523
Purchased services	2,149,466	82,143	2,231,609
Supplies and materials	178,317	16,114	194,431
Payments to other governments	486,265	-	486,265
Depreciation	19,138	5,003	24,141
Administrative			
On-behalf payments	<u>580,902</u>	<u>-</u>	<u>580,902</u>
Total expenses	<u>4,643,181</u>	<u>228,614</u>	<u>4,871,795</u>
Change in net position	(15,633)	97,998	82,365
<b>Net position, beginning of year</b>	<u>197,240</u>	<u>473,918</u>	<u>671,158</u>
<b>Net position, end of year</b>	<u>\$ 181,607</u>	<u>\$ 571,916</u>	<u>\$ 753,523</u>

Operating grants and contributions account for 81% of the total revenue. Rock Island County Regional Office of Education No. 49's expenses primarily relate to instructional services, which account for 88% of the total expenses.

**Governmental Activities**

Revenues for governmental activities were \$4,627,548 and \$3,902,584 and expenses were \$4,643,181 and \$3,815,793 for 2014 and 2015, respectively.

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

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

<b><u>2015</u></b>	<b><u>Total Expenses</u></b>	<b><u>Net (Expenses) Revenues</u></b>
Instructional services		
Salaries	\$ 1,095,960	\$ (16,213)
Benefits	46,185	44,056
Purchased services	1,440,601	(13,495)
Supplies and materials	159,131	-
Payments to other governments	624,963	-
Depreciation	19,415	(19,415)
Capital outlay	-	10,785
Pension expense (income)	(25,371)	25,371
Administrative		
On-behalf payments	<u>454,909</u>	<u>(454,909)</u>
<b>Total expenses</b>	<b><u>\$ 3,815,793</u></b>	<b><u>\$ (423,820)</u></b>
<b><u>2014</u></b>	<b><u>Total Expenses</u></b>	<b><u>Net (Expenses) Revenues</u></b>
Instructional services		
Salaries	\$ 1,095,574	\$ (9,665)
Benefits	133,519	(3,455)
Purchased services	2,149,466	(50,560)
Supplies and materials	178,317	(146)
Payments to other governments	486,265	-
Depreciation	19,138	(19,138)
Capital outlay	-	16,877
Administrative		
On-behalf payments	<u>580,902</u>	<u>(580,902)</u>
<b>Total expenses</b>	<b><u>\$ 4,643,181</u></b>	<b><u>\$ (646,989)</u></b>

- The cost of all governmental activities was \$4,643,181 and \$3,815,793 for 2014 and 2015, respectively.
- Federal and state governments subsidized certain governmental activities with grants and contributions of \$3,996,192 and \$3,391,973 for 2014 and 2015, respectively.

Net cost of governmental activities (\$646,989), was financed by general revenues, which are made up of local (\$50,454) and on-behalf payments (\$580,902) for 2014.

Net cost of governmental activities (\$423,820), was financed by general revenues, which are made up of local (\$55,702) and on-behalf payments (\$454,909) for 2015.

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

**Business-Type Activities**

Revenues for business-type activities were \$326,612 and \$337,150 and expenses were \$228,614 and \$266,903 for 2014 and 2015, respectively. Rock Island County Regional Office of Education No. 49's business-type activities include the Workshop Fund. For the business-type activities, revenues are comprised of charges for service.

**INDIVIDUAL FUND ANALYSIS**

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

The financial performance of Rock Island County Regional Office of Education No. 49 as a whole is reflected in its governmental funds, as well. As Rock Island County Regional Office of Education No. 49 completed the year, its governmental funds reported a combined fund balance of \$111,602, slightly below last year's ending fund balance of \$117,523, primarily due to normal fluctuations and timing of grant drawdowns.

**Governmental Fund Highlights**

The Institute Fund balance increased from \$99,953 in 2014 to \$130,791 in 2015. Revenues were up and expenses were down due to additional registrations, applications, and renewals for educator licensure.

The Education Fund deficit balance increased from \$(12,910) in 2014 to \$(42,226) in 2015. The main reason for the change in fund balance was that more FY14 funds were received in a timely manner in comparison to FY15.

**Proprietary Fund Highlights**

Workshop Fund net position increased from \$571,916 at June 30, 2014 to \$642,163 at June 30, 2015, representing an increase of approximately 12%. Even with increased activity, expenditures were controlled creating the overall increase in net position. Both revenues and expenses increased but remained in a net positive outcome.

**BUDGETARY HIGHLIGHTS**

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

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

**CAPITAL ASSETS**

As of June 30, 2015, Rock Island County Regional Office of Education No. 49 had invested \$46,075 in capital assets, including furniture and equipment. Total depreciation expense for the year was \$23,870.

The following schedules present capital asset balances net of depreciation for the fiscal years ended June 30, 2015 and 2014.

<b><u>2015</u></b>	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
Furniture and equipment	\$ 42,544	\$ 3,531	\$ 46,075
<b><u>2014</u></b>	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
Furniture and equipment	\$ 51,174	\$ 7,382	\$ 58,556

Additional information on Rock Island County Regional Office of Education No. 49's capital assets can be found in Note 4 on page 57 of this report.

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

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

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

- The State of Illinois continues to be in a dismal financial position, with an annual deficit between \$5 and \$7 billion, which has had and will continue to reflect negatively on the ability of the Regional Office of Education to obtain grants necessary for stable and continued growth. Delayed payments will not allow the ROE to maintain programmatic initiatives over the long run, if continued.

The United States has been in and continues through a financial recession, which has and will negatively affect the number of and availability of federal grants and dollars.

Overall, it will take a steady hand to navigate the educational funding waters of FY16.

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015

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

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BASIC FINANCIAL STATEMENTS

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	Primary Government		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 205,434	\$ 556,942	\$ 762,376
Due from other governments	223,612	-	223,612
Due (to) from other funds	(82,779)	82,779	-
Other assets	-	24,794	24,794
Total current assets	<u>\$ 346,267</u>	<u>\$ 664,515</u>	<u>\$ 1,010,782</u>
Noncurrent assets:			
Capital assets, being depreciated, net	42,544	3,531	46,075
Net pension asset	155,668	-	155,668
Total noncurrent assets	<u>\$ 198,212</u>	<u>\$ 3,531</u>	<u>\$ 201,743</u>
Total assets	<u>\$ 544,479</u>	<u>\$ 668,046</u>	<u>\$ 1,212,525</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>\$ 67,092</u>	<u>\$ -</u>	<u>\$ 67,092</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 173,004	\$ 23,491	\$ 196,495
Accrued expenses	9,470	2,392	11,862
Unearned revenues	9,965	-	9,965
Total current liabilities	<u>\$ 192,439</u>	<u>\$ 25,883</u>	<u>\$ 218,322</u>
Non current liabilities:			
Net pension liability	<u>\$ 701,667</u>	<u>\$ -</u>	<u>\$ 701,667</u>
Total liabilities	<u>\$ 894,106</u>	<u>\$ 25,883</u>	<u>\$ 919,989</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>\$ 609,688</u>	<u>\$ -</u>	<u>\$ 609,688</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 42,544	\$ 3,531	\$ 46,075
Unrestricted	(1,244,263)	638,632	(605,631)
Restricted - other	309,496	-	309,496
Total net position	<u>\$ (892,223)</u>	<u>\$ 642,163</u>	<u>\$ (250,060)</u>

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**EXHIBIT B**

<b>FUNCTIONS/PROGRAMS</b>	<b>Program Revenues</b>			<b>Net (Expenses) Revenues and Changes in Net Position</b>		
	<b><u>Expenses</u></b>	<b>Operating</b>		<b>Primary Government</b>		
		<b><u>Charges for Services</u></b>	<b><u>Grants and Contributions</u></b>	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b>PRIMARY GOVERNMENT</b>						
Government activities:						
Instructional services:						
Salaries	\$ 1,095,960	\$ -	\$ 1,079,747	\$ (16,213)	\$ -	\$ (16,213)
Benefits	46,185	-	90,241	44,056	-	44,056
Purchased services	1,440,601	-	1,427,106	(13,495)	-	(13,495)
Supplies and materials	159,131	-	159,131	-	-	-
Payments to other governments	624,963	-	624,963	-	-	-
Depreciation	19,415	-	-	(19,415)	-	(19,415)
Capital outlay	-	-	10,785	10,785	-	10,785
Pension expense (income)	(25,371)	-	-	25,371	-	25,371
Administrative:						
On-behalf payments	454,909	-	-	(454,909)	-	(454,909)
Total governmental activities	\$ 3,815,793	\$ -	\$ 3,391,973	\$ (423,820)	\$ -	\$ (423,820)
Business-type activities:						
Other	266,903	337,150	-	-	70,247	70,247
<b>Total primary government</b>	<b>\$ 4,082,696</b>	<b>\$ 337,150</b>	<b>\$ 3,391,973</b>	<b>\$ (423,820)</b>	<b>\$ 70,247</b>	<b>\$ (353,573)</b>
General revenues:						
Local sources				\$ 55,702	\$ -	\$ 55,702
On-behalf payments				454,909	-	454,909
Total general revenues				\$ 510,611	\$ -	\$ 510,611
<b>Change in net position</b>				\$ 86,791	\$ 70,247	\$ 157,038
<b>Net Position - Beginning (Restated - See Note 13)</b>				(979,014)	571,916	(407,098)
<b>Net Position - Ending</b>				\$ (892,223)	\$ 642,163	\$ (250,060)

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

**EXHIBIT C**

	<u>Special Revenue</u>				<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>	<u>Other Non-Major Funds</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 130,791	\$ 51,947	\$ 22,696	\$ 205,434
Due from other governments	-	-	223,084	528	223,612
Total Assets	<u>\$ -</u>	<u>\$ 130,791</u>	<u>\$ 275,031</u>	<u>\$ 23,224</u>	<u>\$ 429,046</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 172,817	\$ 187	\$ 173,004
Accrued expenses	-	-	9,470	-	9,470
Due to other funds	-	-	82,779	-	82,779
Unearned revenue	-	-	9,965	-	9,965
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275,031</u>	<u>\$ 187</u>	<u>\$ 275,218</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	\$ -	\$ -	\$ 42,226	\$ -	\$ 42,226
<b>FUND BALANCES</b>					
Restricted	\$ -	\$ 130,791	\$ -	\$ 23,037	\$ 153,828
Unassigned	-	-	(42,226)	-	(42,226)
Total fund balances	<u>\$ -</u>	<u>\$ 130,791</u>	<u>\$ (42,226)</u>	<u>\$ 23,037</u>	<u>\$ 111,602</u>
<b>TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCES</b>					
	<u>\$ -</u>	<u>\$ 130,791</u>	<u>\$ 275,031</u>	<u>\$ 23,224</u>	<u>\$ 429,046</u>

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

<b>Total fund balances - governmental funds</b>	\$	111,602
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Some revenues will not be collected for several months after the Regional Office fiscal year ends, they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.		
		42,226
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
		42,544
Noncurrent assets related to pension benefits are collected but not payable in the current period and therefore, are not reported in the funds		
Net pension asset		155,668
Pension related deferred outflows and deferred inflows of resources are not due and payable in the current year and, therefore are not reported in the governmental funds as follows:		
Deferred outflows of resources	\$ 67,092	
Deferred inflows of resources	<u>(609,688)</u>	(542,596)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Net pension liability		<u>(701,667)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u><u>(892,223)</u></u></b>

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**EXHIBIT E**

	<u>Special Revenue</u>				<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
<b>REVENUES:</b>					
Local sources	\$ -	\$ 50,151	\$ -	\$ 5,551	\$ 55,702
State sources	101,131	-	2,356,071	802	2,458,004
Federal sources	-	-	904,653	-	904,653
On-behalf payments	315,022	-	-	-	315,022
Total revenues	<u>\$ 416,153</u>	<u>\$ 50,151</u>	<u>\$ 3,260,724</u>	<u>\$ 6,353</u>	<u>\$ 3,733,381</u>
<b>EXPENDITURES:</b>					
Salaries	\$ -	\$ 8,160	\$ 1,079,747	\$ 8,053	\$ 1,095,960
Benefits	-	568	45,136	481	46,185
Purchased services	101,131	9,877	1,325,173	4,420	1,440,601
Supplies and materials	-	-	159,131	-	159,131
Payments to other governments	-	-	624,963	-	624,963
Pension expense	-	708	45,105	842	46,655
On-behalf payments	315,022	-	-	-	315,022
Capital outlay	-	-	10,785	-	10,785
Total expenditures	<u>\$ 416,153</u>	<u>\$ 19,313</u>	<u>\$ 3,290,040</u>	<u>\$ 13,796</u>	<u>\$ 3,739,302</u>
<b>NET CHANGE IN FUND BALANCES</b>	\$ -	\$ 30,838	\$ (29,316)	\$ (7,443)	\$ (5,921)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>99,953</u>	<u>(12,910)</u>	<u>30,480</u>	<u>117,523</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 130,791</u>	<u>\$ (42,226)</u>	<u>\$ 23,037</u>	<u>\$ 111,602</u>

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Net change in fund balance** \$ (5,921)

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

Some revenues will not be collected for several months after the  
Regional Office fiscal year ends; they are considered  
"unavailable" revenues and are deferred inflows of resources  
in the governmental funds.

Current year unavailable revenue	\$ 42,226	
Prior year unavailable revenue	<u>(12,910)</u>	29,316

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

Capital outlay	\$ 10,785	
Depreciation expense	<u>(19,415)</u>	(8,630)

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

Pension contribution	94,412	
Pension expense	<u>(22,386)</u>	72,026

**Change in net position of governmental activities** \$ 86,791

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2015**

	<b>Enterprise Fund <u>Workshops</u></b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 556,942
Other assets	24,794
Due from other funds	82,779
Total current assets	\$ 664,515
Noncurrent assets:	
Capital assets, net of accumulated depreciation	3,531
Total assets	\$ 668,046
 <b>LIABILITIES</b>	
Accounts payable	\$ 23,491
Accrued expenses	2,392
Total liabilities	\$ 25,883
 <b>NET POSITION</b>	
Net investment in capital assets	\$ 3,531
Unrestricted	638,632
Total net position	\$ 642,163

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Enterprise Fund <u>Workshops</u></b>
Operating revenues:	
Charges for services	\$ 337,150
Operating expenses:	
Current:	
Education	
Salaries	\$ 74,833
Benefits	6,627
Purchased services	149,517
Supplies and materials	26,109
Payments to other government	-
Depreciation expense	4,455
Pension expense	5,362
Total operating expense	\$ 266,903
Operating Income	\$ 70,247
Transfer from general fund	-
Change in Net Position	\$ 70,247
<b>Net Position - Beginning of year</b>	<b>571,916</b>
<b>Net Position - End of year</b>	<b>\$ 642,163</b>

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b><u>Enterprise Fund Workshops</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from workshops	\$ 321,286
Payments to suppliers and providers of goods and services	(163,512)
Payments from other funds	169,657
Payments to employees	(86,770)
Net cash provided by operating activities	<b>\$ 240,661</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Purchase of capital assets	\$ (604)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 240,057</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>316,885</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 556,942</b>
 <b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>	
Operating income	\$ 70,247
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	4,455
Change in assets and liabilities:	
Increase in other assets	(15,864)
Decrease in due from other funds	169,657
Increase in accounts payable	12,114
Increase in accrued expenses	52
<b>Net cash provided by operating activities</b>	<b>\$ 240,661</b>

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2015**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>17,158</u>
<b>LIABILITIES</b>	
Due to plan participants	\$ 13,373
Due to other government and agencies	<u>3,785</u>
Total liabilities	<u>\$ 17,158</u>

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- Processing teachers' certificates;
- Teaching initial and refresher classes for school bus drivers within the ROE;
- Review life/safety requirements for schools in conjunction with the State of Illinois;
- Issuing newsletters regarding new Illinois life/safety requirements;
- Monitoring compliance with State laws and Department of Education policies and procedures;
- Providing directions to teachers and school officials on science, art, and teaching methods;
- Implementing the State Board of Education's Policy Programs; and
- Encouraging camaraderie among teachers through the teachers' institute.

The ROE's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental agencies of this type.

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

The ROE's reporting entity includes all related organizations for which it exercises oversight responsibility.

The ROE has developed criteria to determine whether outside agencies with activities which benefit the citizens of the ROE, including joint agreements which serve pupils from numerous school districts, should be included within its financial reporting entity. The criteria include but are not limited to, whether the ROE exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation

**Government-wide Financial Statements** – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the ROE. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by intergovernmental and local revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Position includes all the Regional Office's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is reported in three categories:

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement 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* consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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 and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as payables, receivables, and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, activities between governmental funds have been eliminated; however, transactions between governmental and business-type activities have not been eliminated. The purpose of interfund borrowing is to cover temporary short falls in cash flow within grant programs and funds.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation - continued

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the governmental-wide financial statements. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

The ROE reports the following major governmental funds:

The General Fund is used to account for all financial resources in the Region except for those required to be accounted for and reported in another fund. The ROE's General Fund accounts include the following:

General State Aid - to account for general state aid monies.

General Fund - to account for On-behalf payments made by the State on the ROE's behalf.

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted to expenditures for specified purposes. The ROE's Major Special Revenue Funds include the following:

The Institute Fund is used to account for the stewardship of the assets held in trust for the benefit of the ROE's teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

The Education Fund is used to account for and report the proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specified purposes supporting education enhancement programs. The ROE's Education Fund accounts include the following:

Title IV – 21<sup>st</sup> Century – Primary – to account for grant monies received for, and payment of, the 21<sup>st</sup> Century program for the Primary Academy.

Title IV – 21<sup>st</sup> Century – Edison Junior High – to account for grant monies received for, and payment of, the 21<sup>st</sup> Century program at Edison Junior High School.

Title IV – 21<sup>st</sup> Century – John Deere Middle School – to account for grant monies received for, and payment of, the 21<sup>st</sup> Century program at John Deere Middle School.

Title IV – 21<sup>st</sup> Century – Rock Island High School – to account for grant monies received for, and payment of, the 21<sup>st</sup> Century program at Rock Island High School.

Title IV – 21<sup>st</sup> Century – Moline High School – to account for grant monies received for, and payment of, the 21<sup>st</sup> Century program at Moline High School.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation – continued

Title IV – 21<sup>st</sup> Century – Washington Junior High School – to account for grant monies received for, and payment of, the 21<sup>st</sup> Century program at Washington Junior High.

Title IV – 21<sup>st</sup> Century – United Township High School – to account for grant monies received for, and payment of, the 21<sup>st</sup> Century program at United Township High School.

Title IV – 21<sup>st</sup> Century – Glenview Middle School – to account for grant monies received for, and payment of, the 21<sup>st</sup> Century program at Glenview Middle School.

Title IV – 21<sup>st</sup> Century – Hanson Elementary School – to account for grant monies received for, and payment of, the 21<sup>st</sup> Century program at Hanson Elementary School.

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

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

Early Childhood Cohort – to provide coursework for licensed teachers to earn an ESL or bilingual endorsement for implementation of appropriate language instruction.

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

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

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

Partnerships To Improve Community Health – to improve health and reduce the burden of chronic diseases.

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

Preschool Development – used to account for grant monies received to build or enhance a preschool program infrastructure and expand high-quality preschool programs in targeted communities.

ROE Operations Fund – used to account for operating fund of the ROE.

Technology For Success – used to account for grant monies received for, and payment of, the Learning Technology Center Technology Program.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation – continued:

Class Room Cubed – used to account for grant monies received for, and payment of, the Classroom Cubed Program.

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

Teacher Quality Program – used to account for grant monies received for, and expenditures incurred to, support programs associated with increasing the academic achievement of all students by helping schools and school districts improve teacher and principal quality.

The ROE's Non-Major Special Revenue Funds include the following:

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

School Bus Driver Training – used to account for fees and expenditures incidental to conducting courses of instruction for school bus drivers pursuant to the standards established by the Illinois Secretary of State.

The ROE's proprietary fund is the Enterprise Workshops Fund. This fund is used to account for workshops provided by the ROE.

The ROE reports fiduciary funds which are used to account for assets held by the ROE in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The ROE's fiduciary funds include the following:

Agency Funds – Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. Agency Funds include the following:

Distributive – used to account for funds distributed by the Illinois State Board of Education to the ROE. The ROE is responsible for forwarding these monies to local school districts and private schools in Rock Island County.

Cafeteria Plan – used to account for funds collected through payroll deductions from participating employees. The ROE is responsible for reimbursing the cost of employees' medical expenses.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized 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 be used 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 unavailable revenue in the governmental fund financial statements but recognized as current revenue in the government-wide financial statements.

The ROE records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

Under the terms of grant agreements, the ROE 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 sources available to finance the program. It is the ROE's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned, then unassigned, if any.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Measurement Focus and Basis of Accounting - continued

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the ROE's Enterprise Fund are charges to customers for services provided in workshops. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The ROE maintains its financial records on the cash basis. The financial statements of the ROE are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Fund Equity

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

Cash and cash equivalents – The Regional Office of Education considers cash on hand, checking accounts, savings accounts, money market accounts, and short term investments with maturity dates under 3 months to be cash and cash equivalents.

Capital assets – Capital assets, which include furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide Statements 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 ROE 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.

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Fund Equity – continued

Deferred inflows of resources – Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources are reported in the governmental fund financial statements as unavailable revenue and represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough to be used to pay liabilities of the current period. Deferred inflows of resources consist of grant receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

Restricted net position – In the government-wide Statement of Position, net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

Fund Balance

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions and a reconciliation of how these balances are reported.

Nonspendable Fund Balance- The portion of a Governmental Fund's net position that are 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 are subject to external enforceable legal restrictions. There are no funds restricted by grant agreement or contract. The following funds are restricted by Illinois Statute: Institute Fund, General Education Development, and School Bus Driver Training.

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.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Fund Equity - 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. There are no accounts presenting an assigned fund balance.

Unassigned Fund Balance- Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of: Title IV 21<sup>st</sup> Century John Deere Middle School and Title IV 21<sup>st</sup> Century Glenview Middle School.

The ROE does not adopt a formal budget for all revenues and expenditures of the governmental funds and is not required to do so. Certain programs administered by the ROE are subject to budget approval by the State of Illinois (Title IV 21<sup>st</sup> Century Primary, Title IV 21<sup>st</sup> Century Edison Jr. High, Title IV 21<sup>st</sup> Century John Deere Middle School, Title IV 21<sup>st</sup> Century-Rock Island High School, Title IV 21<sup>st</sup> Century Moline High School, Title IV 21<sup>st</sup> Century Washington Junior High School, Title IV 21<sup>st</sup> Century United Township High School, Title IV 21<sup>st</sup> Century Glenview Middle School, Title IV 21<sup>st</sup> Century Hanson Elementary School, Early Childhood Ages 0-3, Early Childhood Ages 3-5, Early Childhood Cohort, Truants' Alt. and Optional Education, Partnerships to Improve Community Health, Mathematics and Science Partnership, Preschool Development, ROE Operations, Regional Safe Schools Program, and Teacher Quality Program.)

NOTE 2: CASH AND CASH EQUIVALENTS

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

Deposits

At June 30, 2015, the carrying amount of the ROE's deposits was \$779,534 and the bank balance was \$1,040,991.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the ROE's deposits may not be returned. The ROE does not have a deposit policy for custodial credit risk. As of June 30, 2015, the ROE's deposits were covered by FDIC insurance of \$250,000 and another \$790,991 was collateralized by securities pledged by the ROE's financial institution in the ROE's name.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS - continued

Investments

The ROE does not have a formal investment policy. However, the ROE is authorized under the State of Illinois Public Funds Investment Act to invest in various financial instruments including Illinois Funds. At June 30, 2015, the ROE had investments with carrying and fair values of \$14,566 invested in the Illinois Funds Money Market Fund. The balance includes \$10,781 in the institute fund and \$3,785 in the distributive fund which are included in cash and cash equivalents.

Credit Risk - At June 30, 2015, 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 Investments 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 investment options with a competitive rate of return on fully collateralized investments and immediate access to funds. The investment policy of the Illinois Funds Money Market Fund states that unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

Concentration of Credit Risk - Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of 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 and cash equivalents as shown on the Statement of Net Position and Statement of Fiduciary Net Position is as follows:

	<u>Carrying Amount</u>
Cash and cash equivalents – Governmental Activities:	
Bank Deposits	\$194,653
Cash and cash equivalents – Governmental Activities:	
Illinois Funds	10,781
Cash and cash equivalents – Business-type Activities	<u>556,942</u>
Total Statement of Net Position	<u>\$762,376</u>
Cash and cash equivalents – Fiduciary Activities:	
Illinois Funds	\$ 3,785
Cash and cash equivalents – Fiduciary Activities:	
Bank Deposits	<u>13,373</u>
Total Statement of Fiduciary Net Position	<u>\$17,158</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 3: DUE FROM/TO OTHER GOVERNMENTS

Amounts due from other governments as of June 30, 2015 are as follows:

Education Fund – Due from ISBE

Due Less Than 60 Days	
Title IV – 21 <sup>st</sup> Century John Deere Middle School	\$ 28,882
Title IV – 21 <sup>st</sup> Century Moline High School	62,978
Title IV – 21 <sup>st</sup> Century Glenview Middle School	15,926
Title IV – 21 <sup>st</sup> Century Hanson Elementary School	34,464
Truants’ Alt. and Optional Education	3,782
Partnership to Improve Community Health	6,185
Preschool Development	14,735
Regional Safe Schools Program	6,930
Due Over 60 Days	
Title IV – 21 <sup>st</sup> Century John Deere Middle School	24,578
Title IV – 21 <sup>st</sup> Century Glenview Middle School	17,648
Due from state governments	
RESPRO	6,976
Other Nonmajor Funds - Due from Local governments	
School Bus Driver Training	<u>528</u>
<b>Total</b>	<b><u>\$223,612</u></b>

**Total Due from Other Governments**

Amounts due to other governments as of June 30, 2015 are as follows:

Agency Fund - Due to various local governmental agencies

Distributive	<u>\$3,785</u>
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ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 4: CAPITAL ASSETS

Governmental Activities:

Capital asset activity for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Furniture and equipment	\$ 149,031	\$ 10,785	\$ (18,585)	\$141,231
Accumulated depreciation	<u>(97,857)</u>	<u>(19,415)</u>	<u>18,585</u>	<u>(98,687)</u>
Governmental activities capital assets, net	<u>\$ 51,174</u>	<u>\$ (8,630)</u>	<u>\$ -</u>	<u>\$ 42,544</u>

Business-type Activities:

Capital asset activity for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Furniture and equipment	\$ 32,687	\$ 604	\$ (7,954)	\$25,337
Accumulated depreciation	<u>(25,305)</u>	<u>(4,455)</u>	<u>7,954</u>	<u>(21,806)</u>
Business-type activities capital assets, net	<u>\$ 7,382</u>	<u>\$ (3,851)</u>	<u>\$ -</u>	<u>\$ 3,531</u>

Depreciation expense was charged as follows:

Governmental activities:

Instruction:

Depreciation expense \$ 19,415

Business-type activities:

Other:

Depreciation expense \$ 4,455

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS

A. Teacher's Retirement System of the State of Illinois

- **Plan description**

The employer 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. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. 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 TRS Board of Trustees is responsible for the system's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

- **Benefits provided**

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS - continued

A. Teacher's Retirement System of the State of Illinois – continued

• **Contributions**

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contributions rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2015, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

- **On behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 49. For the year ended June 30, 2015, State of Illinois contributions recognized by the Regional Office of Education No. 49 were based on the State's proportionate share of the collective net pension liability associated with the Regional Office of Education No. 49, and the Regional Office of Education No. 49 recognized revenue and expenditures of \$139,887 in pension contributions from the State of Illinois.
- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were \$3,395, and are deferred because they were paid after the June 30, 2014 measurement date.
- **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. 49, there is a statutory requirement for the Regional Office of Education No. 49 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that 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, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2015, salaries totaling \$27,723 were paid from federal and special trust funds that required employer contributions of \$9,149. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS – continued

A. Teacher’s Retirement System of the State of Illinois – continued

- **Contributions** - continued

- **Employer Retirement Cost Contributions.**

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 49 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. 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 year ended June 30, 2015, the Regional Office of Education No. 49 paid no employer contributions to TRS for employer ERO contributions.

The Regional Office of Education No. 49 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the Regional Office of Education No. 49 made no payments to TRS for employer contributions due to salary increases in excess of 6 percent and no payments for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2015, the Regional Office of Education No. 49 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 701,667
State's proportionate share of the net pension liability associated with the employer	<u>1,737,501</u>
Total	<u>\$ 2,439,168</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The employer’s proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2014, the Regional Office of Education No. 49's proportion was .0011529520 percent.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS - continued

A. Teacher's Retirement System of the State of Illinois – continued

● **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - continued

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013 actuarial valuation without any roll-up. The Regional Office of Education No. 49's proportion of the net pension liability as of June 30, 2013 was based on the Regional Office of Education No. 49's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2013, the Regional Office of Education No. 49's proportion was .0022746304 percent.

For the year ended June 30, 2015, the Regional Office of Education No. 49 recognized pension expense of \$139,887 and revenue of \$139,887 for support provided by the State. For the year ended June 30, 2015, the Regional Office of Education No. 49 recognized pension expense of \$(81,868).

At June 30, 2015, the Regional Office of Education No. 49 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 371	\$ -
Net difference between projected and actual earnings on pension plan investments	-	35,264
Changes of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	565,471
Employer contributions subsequent to the measurement date	<u>12,544</u>	<u>-</u>
Total	<u>\$ 12,915</u>	<u>\$600,735</u>

\$12,544 was reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ended June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2016	\$145,976
2017	145,976
2018	145,976
2019	145,976
2020	16,459

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS - continued

A. Teacher's Retirement System of the State of Illinois – continued

• **Actuarial Assumptions**

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	5.75 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent.

The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS – continued

A. Teacher’s Retirement System of the State of Illinois – continued

- **Actuarial Assumptions** - continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap	18%	8.23%
Global equity excluding U.S.	18	8.58
Aggregate bonds	16	2.27
U.S. TIPS	2	3.52
NCREIF	11	5.81
Opportunistic real estate	4	9.79
ARS	8	3.27
Risk parity	8	5.57
Diversified inflation strategy	1	3.96
Private equity	<u>14</u>	13.03
Total	<u>100%</u>	

- **Discount Rate**

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I’s liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

- **Sensitivity of the Regional Office of Education No. 49’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Regional Office of Education No. 49’s proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the Regional Office of Education No. 49’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than the current rate.

	<b>1% Decrease <u>(6.50%)</u></b>	<b>Current Discount Rate <u>(7.50%)</u></b>	<b>1% Increase <u>(8.50%)</u></b>
Employer’s proportionate share of the net pension liability	\$866,524	\$701,667	\$565,146

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS - continued

A. Teacher's Retirement System of the State of Illinois – continued

- **TRS Fiduciary Net Position**

Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

B. Teacher Health Insurance Security Fund

The employer participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options. 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 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 contribution to the THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$8,329, and the employer recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2014 and June 30, 2013 were .97 and .92 percent of pay, respectively. State contributions on behalf of ROE employees were \$8,563 and 8,193, respectively.

- **Employer contributions to the THIS Fund**

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was .76 percent during the year ended June 30, 2015 and .72 and .69 percent during the years ended June 30, 2014 and June 2013, respectively. For the year ended June 30, 2015, the employer paid \$4,601 to the THIS Fund. For the years ended June 30, 2014 and June 30, 2013, the ROE paid \$4,858 and \$4,734 to the THIS Fund, respectively, which was 100 percent of the required contribution.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS – continued

B. Teacher Health Insurance Security Fund - continued

• **Further information on the THIS Fund**

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”.

C. Illinois Municipal Retirement Fund

**IMRF Plan Description**

The Regional Office of Education No. 49's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 49's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

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

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS - continued

C. Illinois Municipal Retirement Fund - continued

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

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

**Employees Covered by Benefit Terms**

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

**IMRF**

Retirees and Beneficiaries currently receiving benefits	6
Inactive Plan Members entitled to but not yet receiving benefits	26
Active Plan Members	<u>14</u>
Total	46

**Contributions**

As set by statute, the Regional Office of Education No. 49's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 49's annual contribution rate for calendar year 2014 was 9.94%. For the calendar year ended 2014, the Regional Office of Education No. 49 contributed \$46,970 to the plan. The Regional Office of Education No. 49 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The Regional Office of Education No. 49's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS - continued

C. Illinois Municipal Retirement Fund - continued

**Actuarial Assumptions**

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 3.5%
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%
- Projected Retirement Age was from the Experience-based Table of Rates specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS - continued

C. Illinois Municipal Retirement Fund - continued

**Single Discount Rate**

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

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

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

	<b><u>Changes in the Net Pension Liability</u></b>		
	<b>Total Pension Liability</b>	<b>Plan Pension Net Position</b>	<b>Net Pension Liability (Asset)</b>
Balance at December 31, 2013	<u>\$1,206,539</u>	<u>\$1,403,805</u>	<u>\$(197,266)</u>
Changes for the year:			
Service Cost	\$ 57,452	\$ -	57,452
Interest on the Total Pension Liability	89,658	-	89,658
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(14,428)	-	(14,428)
Changes of Assumptions	56,681	-	56,681
Contributions – Employer	-	46,970	(46,970)
Contributions - Employees	-	21,264	(21,264)
Net Investment Income	-	80,594	(80,594)
Benefit Payments, including Refunds of Employee Contributions	(81,191)	(81,191)	-
Other (Net Transfer)	-	(1,063)	1,063
Net Changes	<u>\$ 108,172</u>	<u>\$ 66,574</u>	<u>\$ 41,598</u>
Balances at December 31, 2014	<u><u>\$1,314,711</u></u>	<u><u>\$1,470,379</u></u>	<u><u>\$(155,668)</u></u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS - continued

C. Illinois Municipal Retirement Fund - continued

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

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

	<b>1% Lower (6.50%)</b>	<b>Current Discount (7.50%)</b>	<b>1% Higher (8.50%)</b>
Net Pension Liability (Asset)	\$6,960	\$(155,668)	\$(287,305)

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

For the year ended June 30, 2015, the Regional Office of Education No. 49 recognized pension expense of \$46,036. At June 30, 2015, the Regional Office of Education No. 49 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ 8,953
Changes of assumptions	35,173	-
Net difference between projected and actual earnings on pension plan investments	<u>19,004</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>\$ 54,177</u>	<u>\$ 8,953</u>
Pension Contributions made subsequent to the Measurement Date	<u>\$ 26,012</u>	<u>\$ -</u>
Total Deferred Amounts Related to Pensions	<u>\$ 28,165</u>	<u>\$ 8,953</u>

\$26,012 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 5: RETIREMENT FUND COMMITMENTS - continued

C. Illinois Municipal Retirement Fund - continued

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

<b><u>Year Ending December 31</u></b>	<b><u>Net Deferred Outflows of Resources</u></b>
2015	\$ 20,784
2016	14,938
2017	4,751
2018	4,751
2019	-
Thereafter	-
<b>Total</b>	<b><u>\$ 45,224</u></b>

D. Social Security

Employees not qualifying for coverage under the Illinois Teacher’s Retirement System or the Illinois Municipal Retirement Fund are considered “non-participating employees”. These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$51,418, the total required contribution for the current fiscal year.

NOTE 6: INTEREST EARNINGS ON PUBLIC FUNDS

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

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

At June 30, 2015, undistributed interest earnings or receipts credited to other governments and organizations are as follows:

State and Federal Aid Distributive Fund	\$ <u>3,785</u>
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Interest earnings credited to other governments and organizations are distributed in cash or in lieu of cash and are used to pay for in service training pursuant to agreements signed by the other governments and organizations with the Regional Superintendent.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 7: ON-BEHALF PAYMENTS

The State of Illinois, or as specified the county, paid the following salaries, benefits, and contributions on-behalf of the Regional Office of Education No. 49:

Regional Superintendent - salary	\$ 111,108
Regional Superintendent - benefits	
(Includes State paid insurance)	32,564
Assistant Regional Superintendent - salary	99,996
Assistant Regional Superintendent - benefits	
(Includes State paid insurance)	22,189
County On-behalf payments	40,836
THIS On-behalf payments	<u>8,329</u>
Total	<u>\$ 315,022</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education (ISBE). The data for the county employee was provided by the county. The on-behalf payments are reflected as revenues and expenditures of the General Fund.

The Regional Office of Education No. 49 also recorded \$139,887 in revenue and expenses as on-behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, the Regional Office of Education No. 49 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois and county On-behalf payment	\$ 315,022
ROE No. 49's share of TRS pension expense	<u>139,887</u>
Total	<u>\$ 454,909</u>

NOTE 8: DEFICIT FUND BALANCES

At June 30, 2015, the following fund had a deficit fund balance.

Education Funds:

Title IV – 21 <sup>st</sup> Century John Deere Middle School	\$24,578
Title IV – 21 <sup>st</sup> Century Glenview Middle School	<u>17,648</u>
Total	<u>\$42,226</u>

NOTE 9: RISK MANAGEMENT

Rock Island County Regional Office of Education No. 49 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. Rock Island County Regional Office of Education No. 49 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 10: NEW PRONOUNCEMENTS

In 2015, Rock Island County Regional Office of Education No. 49 implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date an amendment of GASB Statement No. 68*. GASB Statement No. 69 had no impact on the financial statements for Rock Island County Regional Office of Education No. 49. The effect of implementing GASB 68 and 71 are described in more detail in Note 13.

NOTE 11: DUE TO/FROM OTHER FUNDS

Funds periodically borrow from other funds to cover temporary cash shortages. These loans are usually paid in full within a few months. No interest is charged on the loans outstanding. Following is a summary of the outstanding amounts due from (to) other funds as of June 30, 2015:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Proprietary Fund	<u>\$ 82,779</u>	<u>\$ -</u>
Education Funds	<u>\$ -</u>	<u>\$ 82,779</u>

NOTE 12: DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The Rock Island County Regional Office of Education No. 49 did not recognize and disclose a liability for postemployment benefits other than pension (OPEB) as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting for Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in their financial statements. Disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

The Regional Office has continued to account for post-employment benefits other than pensions on a pay-as-you-go basis, and these financial statements therefore exclude a liability for benefits employees have currently earned that will be paid at retirement.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

NOTE 13: BEGINNING NET POSITION RESTATEMENT

During the fiscal year ended June 30, 2015 the ROE implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27*. The revised requirements established new financial reporting requirements for State and Local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. The beginning net position was adjusted by (\$1,160,621), detailed below, to reflect the prior year balance of the government's proportionate share of the employee pension plans' unfunded liabilities.

June 30, 2014 Net Position, original		\$ 181,607
ROE share of TRS Pension Liability	(\$1,383,899)	
ROE share of IMRF Liability	<u>223,278</u>	<u>(1,160,621)</u>
June 30, 2014 Net Position, restated		<u>\$ (979,014)</u>

NOTE 14: SUBSEQUENT EVENTS

The ROE assessed events that have occurred subsequent to June 30, 2015 through July 7, 2016, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustments to or disclosure in the financial statements.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 FOR THE YEAR ENDED JUNE 30, 2015

Employer's proportion of the net pension liability	0.0011529520
Employer's proportionate share of the net pension liability	\$ 701,667
State's proportionate share of the net pension liability associated with the employer	1,737,501
<b>Total</b>	<b>\$ 2,439,168</b>
Employer's covered-employee payroll	\$ 721,862
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	97.20%
Plan fiduciary net position as a percentage of the total pension liability	43.00%
<i>*The amounts presented were determined as of the prior fiscal-year end.</i>	

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
Contractually-required contribution	\$ 12,660	\$ 40,789
Contributions in relation to the contractually-required contribution	12,544	47,061
Contribution deficiency (excess)	\$ 116	\$ (6,272)
Employer's covered-employee payroll	\$ 721,862	\$ 772,399
Contributions as a percentage of covered-employee payroll	1.74%	6.09%

**Notes to Schedule**

Changes of assumptions

Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and a real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2015, assumptions used were an investment rate of return of 8.0 percent, an inflation rate 3.25 percent and a real rate of return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
CALENDAR YEAR 2014  
(UNAUDITED)

Calendar Year Ended December 31,	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 57,452
Interest on the Total Pension Liability	89,658
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(14,428)
Changes of Assumptions	56,681
Benefit Payments, including Refunds of Employee Contributions	<u>(81,191)</u>
Net Change in Total Pension Liability	108,172
Total Pension Liability - Beginning	<u>1,206,539</u>
Total Pension Liability - Ending (A)	<u><u>1,314,711</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	46,970
Contributions - Employees	21,264
Net Investment Income	80,594
Benefit Payments, including Refunds of Employee Contributions	(81,191)
Other (Net Transfer)	<u>(1,063)</u>
Net Change in Plan Fiduciary Net Position	66,574
Plan Fiduciary Net Position - Beginning	<u>1,403,805</u>
Plan Fiduciary Net Position - Ending (B)	<u><u>1,470,379</u></u>
Net Pension Liability/(Asset) - Ending (A) - (B)	<u><u>(155,668)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.84%
Covered Valuation Payroll	472,536
Net Pension Liability as a Percentage of Covered Valuation Payroll	-32.94%

Notes to Schedule:

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
CALENDAR YEAR 2014  
(UNAUDITED)

Calendar Year Ended December 31,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a percentage of Covered Valuation Payroll
2014	\$ 44,040	\$ 46,970	\$ (2,930)	\$ 472,536	9.94%

**Notes to Schedule:**

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

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2014 Contribution Rates:**

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

**Other Information:**

Notes: There were no benefit changes during the year.

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

OTHER SUPPLEMENTARY INFORMATION

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND  
 JUNE 30, 2015

	<b>General State Aid</b>	<b>General Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Due from other funds	-	-	-
Due from other governments	-	-	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued expenses	-	-	-
Due to other funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES</b>			
Restricted	\$ -	\$ -	\$ -
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

	<b>General State Aid</b>	<b>General Fund</b>	<b>Total</b>
<b>REVENUES:</b>			
Local sources	\$ -	\$ -	\$ -
State sources	101,131	-	101,131
On-behalf payments	-	315,022	315,022
Total revenues	<u>\$ 101,131</u>	<u>\$ 315,022</u>	<u>\$ 416,153</u>
<b>EXPENDITURES:</b>			
Salaries	\$ -	\$ -	\$ -
Benefits	-	-	-
Purchased services	101,131	-	101,131
Supplies and materials	-	-	-
Payments to other governments	-	-	-
On-behalf payments	-	315,022	315,022
Capital outlay	-	-	-
Total expenditures	<u>\$ 101,131</u>	<u>\$ 315,022</u>	<u>\$ 416,153</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 JUNE 30, 2015

SCHEDULE 3

	Title IV - 21st Century Primary	Title IV - 21st Century Edison Jr. High	Title IV - 21st Century John Deere Middle School	Title IV - 21st Century Rock Island High School	Title IV - 21st Century Moline High School	Title IV - 21st Century Washington Jr. High School	Title IV - 21st Century United Township High School
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	53,460	-	62,978	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,460</b>	<b>\$ -</b>	<b>\$ 62,978</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES &amp; FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 24,578	\$ -	\$ 55,945	\$ -	\$ -
Accrued expenses	-	-	1,233	-	-	-	-
Due to other funds	-	-	27,649	-	7,033	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ 53,460	\$ -	\$ 62,978	\$ -	\$ -
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	\$ -	\$ -	\$ 24,578	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES</b>							
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	(24,578)	-	-	-	-
Total fund balances	\$ -	\$ -	\$ (24,578)	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities, Deferred Inflows &amp; Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,460</b>	<b>\$ -</b>	<b>\$ 62,978</b>	<b>\$ -</b>	<b>\$ -</b>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 JUNE 30, 2015

SCHEDULE 3

	<u>Title IV - 21st Century Glenview Middle School</u>	<u>Title IV - 21st Century Hanson Elementary School</u>	<u>Early Childhood Ages 0-3</u>	<u>Early Childhood Ages 3-5</u>	<u>Early Childhood Cohort</u>	<u>Truants' Alt. and Optional Education</u>	<u>McKinney Education for Homeless Children</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 3,851	\$ 1,481	\$ 31,807	\$ 7,178	\$ -	\$ -
Due from other governments	33,574	34,464	-	-	-	3,782	-
<b>Total Assets</b>	<b>\$ 33,574</b>	<b>\$ 38,315</b>	<b>\$ 1,481</b>	<b>\$ 31,807</b>	<b>\$ 7,178</b>	<b>\$ 3,782</b>	<b>\$ -</b>
<b>LIABILITIES &amp; FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 17,648	\$ 38,315	\$ 1,481	\$ 31,807	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	15,926	-	-	-	-	3,782	-
Unearned Revenue	-	-	-	-	7,178	-	-
Total liabilities	<b>\$ 33,574</b>	<b>\$ 38,315</b>	<b>\$ 1,481</b>	<b>\$ 31,807</b>	<b>\$ 7,178</b>	<b>\$ 3,782</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	\$ 17,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES</b>							
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	(17,648)	-	-	-	-	-	-
Total fund balances	<b>\$ (17,648)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balance</b>	<b>\$ 33,574</b>	<b>\$ 38,315</b>	<b>\$ 1,481</b>	<b>\$ 31,807</b>	<b>\$ 7,178</b>	<b>\$ 3,782</b>	<b>\$ -</b>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 JUNE 30, 2015

SCHEDULE 3

<b>ASSETS</b>	<u>RESPRO</u>	<u>Partnerships To Improve Community Health</u>	<u>Mathematics and Science Partnership</u>	<u>Preschool Development</u>	<u>ROE Operations Fund</u>	<u>Technology for Success</u>	<u>Class Room Cubed</u>
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 5,552	\$ 2,078	\$ -
Due from other governments	6,976	6,185	-	14,735	-	-	-
<b>Total Assets</b>	<u>\$ 6,976</u>	<u>\$ 6,185</u>	<u>\$ -</u>	<u>\$ 14,735</u>	<u>\$ 5,552</u>	<u>\$ 2,078</u>	<u>\$ -</u>
 <b>LIABILITIES &amp; FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 3,043	\$ -	\$ -
Accrued expenses	-	2,192	-	3,550	2,495	-	-
Due to other funds	6,281	3,993	-	11,185	-	-	-
Unearned Revenue	695	-	-	-	14	2,078	-
Total liabilities	<u>\$ 6,976</u>	<u>\$ 6,185</u>	<u>\$ -</u>	<u>\$ 14,735</u>	<u>\$ 5,552</u>	<u>\$ 2,078</u>	<u>\$ -</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
 <b>FUND BALANCES</b>							
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balance</b>	<u>\$ 6,976</u>	<u>\$ 6,185</u>	<u>\$ -</u>	<u>\$ 14,735</u>	<u>\$ 5,552</u>	<u>\$ 2,078</u>	<u>\$ -</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 JUNE 30, 2015

SCHEDULE 3

	<u>Regional Safe Schools Program</u>	<u>Teacher Quality Program</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 51,947
Due from other governments	6,930	-	223,084
	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<u>\$ 6,930</u>	<u>\$ -</u>	<u>\$ 275,031</u>
 <b>LIABILITIES &amp; FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 172,817
Accrued expenses	-	-	9,470
Due to other funds	6,930	-	82,779
Unearned Revenue	-	-	9,965
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 6,930</u>	<u>\$ -</u>	<u>\$ 275,031</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	\$ -	\$ -	\$ 42,226
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES</b>			
Restricted	\$ -	\$ -	\$ -
Unassigned	-	-	(42,226)
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,226)</u>
 <b>Total Liabilities, Deferred Inflows &amp; Fund Balance</b>	 <u>\$ 6,930</u>	 <u>\$ -</u>	 <u>\$ 275,031</u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 4**

	<b>Title IV - 21st Century Primary</b>	<b>Title IV - 21st Century Edison Jr. High</b>	<b>Title IV - 21st Century John Deere Middle School</b>	<b>Title IV - 21st Century Rock Island High School</b>	<b>Title IV - 21st Century Moline High School</b>	<b>Title IV - 21st Century Washington Jr. High School</b>	<b>Title IV - 21st Century United Township High School</b>
<b>REVENUES:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	26,347	17,836	92,327	9,955	162,088	30,267	11,445
Total revenues	<u>\$ 26,347</u>	<u>\$ 17,836</u>	<u>\$ 92,327</u>	<u>\$ 9,955</u>	<u>\$ 162,088</u>	<u>\$ 30,267</u>	<u>\$ 11,445</u>
<b>EXPENDITURES:</b>							
Salaries	\$ -	\$ 1,320	\$ 5,166	\$ -	\$ 1,320	\$ 1,899	\$ 5,454
Benefits	-	101	466	-	101	276	40
Purchased services	1,502	3,052	10,559	3,046	4,614	3,909	3,343
Supplies and materials	658	-	1,956	275	252	205	200
Payments to other governments	24,187	13,232	98,478	6,634	155,670	23,978	1,174
Capital Outlay	-	-	-	-	-	-	-
Pension expense	-	131	280	-	131	-	1,234
Total expenditures	<u>\$ 26,347</u>	<u>\$ 17,836</u>	<u>\$ 116,905</u>	<u>\$ 9,955</u>	<u>\$ 162,088</u>	<u>\$ 30,267</u>	<u>\$ 11,445</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (24,578)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (24,578)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 4**

	<b>Title IV - 21st Century Glenview Middle School</b>	<b>Title IV - 21st Century Hanson Elementary School</b>	<b>Early Childhood Ages 0-3</b>	<b>Early Childhood Ages 3-5</b>	<b>Early Childhood Cohort</b>	<b>Truants' Alt. and Optional Education</b>	<b>McKinney Education for Homeless Children</b>
<b>REVENUES:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	225,071	1,838,731	-	60,674	-
Federal sources	70,803	199,869	-	-	9,488	-	12,835
Total revenues	<u>\$ 70,803</u>	<u>\$ 199,869</u>	<u>\$ 225,071</u>	<u>\$ 1,838,731</u>	<u>\$ 9,488</u>	<u>\$ 60,674</u>	<u>\$ 12,835</u>
<b>EXPENDITURES:</b>							
Salaries	\$ -	\$ 3,831	\$ 112,963	\$ 685,330	-	\$ 47,359	\$ 8,938
Benefits	-	260	5,585	22,062	-	3,350	742
Purchased services	19,099	4,297	93,362	1,033,928	9,488	5,306	1,832
Supplies and materials	961	738	5,250	76,128	-	-	775
Payments to other governments	68,391	190,427	-	-	-	-	-
Capital Outlay	-	-	-	6,495	-	-	-
Pension expense	-	316	7,911	14,788	-	4,659	548
Total expenditures	<u>\$ 88,451</u>	<u>\$ 199,869</u>	<u>\$ 225,071</u>	<u>\$ 1,838,731</u>	<u>\$ 9,488</u>	<u>\$ 60,674</u>	<u>\$ 12,835</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (17,648)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>\$ (17,648)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

SCHEDULE 4

	<b>RESPRO</b>	<b>Partnerships To Improve Community Health</b>	<b>Mathematics and Science Partnership</b>	<b>Preschool Development</b>	<b>ROE Operations Fund</b>	<b>Technology for Success</b>	<b>Class Room Cubed</b>
<b>REVENUES:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	75,003	37,870	34,994
Federal sources	64,558	14,945	162,745	14,735	-	-	-
Total revenues	<u>\$ 64,558</u>	<u>\$ 14,945</u>	<u>\$ 162,745</u>	<u>\$ 14,735</u>	<u>\$ 75,003</u>	<u>\$ 37,870</u>	<u>\$ 34,994</u>
<b>EXPENDITURES:</b>							
Salaries	\$ 43,713	\$ 11,898	\$ 20,616	\$ 7,216	\$ 51,673	\$ 30,082	\$ 10,385
Benefits	3,178	1,026	409	291	2,352	2,223	777
Purchased services	14,204	232	73,250	730	12,690	2,920	14,738
Supplies and materials	2,525	222	50,018	4,898	4,698	-	8,083
Payments to other governments	-	-	-	-	-	-	-
Capital Outlay	-	890	-	-	3,400	-	-
Pension expense	938	677	5,542	1,600	190	2,645	1,011
Total expenditures	<u>\$ 64,558</u>	<u>\$ 14,945</u>	<u>\$ 149,835</u>	<u>\$ 14,735</u>	<u>\$ 75,003</u>	<u>\$ 37,870</u>	<u>\$ 34,994</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	\$ -	\$ 12,910	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	(12,910)	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

SCHEDULE 4

	<b>Regional Safe Schools Program</b>	<b>Teacher Quality Program</b>	<b>Total</b>
<b>REVENUES:</b>			
Local sources	\$ -	\$ -	\$ -
State sources	83,728	-	2,356,071
Federal sources	-	4,410	904,653
Total revenues	<u>\$ 83,728</u>	<u>\$ 4,410</u>	<u>\$ 3,260,724</u>
<b>EXPENDITURES:</b>			
Salaries	\$ 30,584	\$ -	\$ 1,079,747
Benefits	1,897	-	45,136
Purchased services	4,662	4,410	1,325,173
Supplies and materials	1,289	-	159,131
Payments to other governments	42,792	-	624,963
Capital Outlay	-	-	10,785
Pension expense	2,504	-	45,105
Total expenditures	<u>\$ 83,728</u>	<u>\$ 4,410</u>	<u>\$ 3,290,040</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (29,316)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>(12,910)</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (42,226)</u></u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	Title IV - 21st Century Primary			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	112,500	112,500	26,347	(86,153)
Total revenues	<u>\$ 112,500</u>	<u>\$ 112,500</u>	<u>\$ 26,347</u>	<u>\$ (86,153)</u>
<b>EXPENDITURES:</b>				
Salaries	\$ 6,738	\$ 6,738	\$ -	\$ 6,738
Benefits	2,134	2,134	-	2,134
Purchased services	3,270	3,270	1,502	1,768
Supplies and materials	358	358	658	(300)
Payments to other governments	100,000	100,000	24,187	75,813
Capital outlay	-	-	-	-
Pension expense	-	-	-	-
Total expenditures	<u>\$ 112,500</u>	<u>\$ 112,500</u>	<u>\$ 26,347</u>	<u>\$ 86,153</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ -</u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

<b>Title IV - 21st Century Edison Jr. High School</b>				
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	61,000	61,000	17,836	(43,164)
Total revenues	<u>\$ 61,000</u>	<u>\$ 61,000</u>	<u>\$ 17,836</u>	<u>\$ (43,164)</u>
<b>EXPENDITURES:</b>				
Salaries	\$ 4,680	\$ 4,680	\$ 1,320	\$ 3,360
Benefits	1,417	1,417	101	1,316
Purchased services	2,545	2,545	3,052	(507)
Supplies and materials	358	358	-	358
Payments to other governments	52,000	52,000	13,232	38,768
Capital outlay	-	-	-	-
Pension expense	-	-	131	(131)
Total expenditures	<u>\$ 61,000</u>	<u>\$ 61,000</u>	<u>\$ 17,836</u>	<u>\$ 43,164</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ -</u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO.49  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUNDS ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

<b>Title IV - 21st Century John Deere Middle School</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	135,000	135,000	92,327	(42,673)
Total revenues	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>\$ 92,327</u>	<u>\$ (42,673)</u>
<b>EXPENDITURES:</b>				
Salaries	\$ 11,012	\$ 11,012	\$ 5,166	\$ 5,846
Benefits	2,021	2,021	466	1,555
Purchased services	5,559	5,559	10,559	(5,000)
Supplies and materials	1,658	1,658	1,956	(298)
Payments to other governments	114,750	114,750	98,478	16,272
Capital outlay	-	-	-	-
Pension expense	-	-	280	(280)
Total expenditures	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>\$ 116,905</u>	<u>\$ 18,095</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>\$ (24,578)</u>	<u><u>\$ (24,578)</u></u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u><u>\$ (24,578)</u></u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	<b>Title IV - 21st Century Rock Island High School</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	59,025	59,025	9,955	(49,070)
Total revenues	<u>\$ 59,025</u>	<u>\$ 59,025</u>	<u>\$ 9,955</u>	<u>\$ (49,070)</u>
<b>EXPENDITURES:</b>				
Salaries	\$ 4,442	\$ 4,442	\$ -	\$ 4,442
Benefits	1,307	1,307	-	1,307
Purchased services	2,832	2,832	3,046	(214)
Supplies and materials	444	444	275	169
Payments to other governments	-	-	6,634	(6,634)
Capital outlay	50,000	50,000	-	50,000
Pension expense	-	-	-	-
Total expenditures	<u>\$ 59,025</u>	<u>\$ 59,025</u>	<u>\$ 9,955</u>	<u>\$ 49,070</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u><u>\$ -</u></u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	<b>Title IV - 21st Century Moline High School</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Amounts</u></b>	<b><u>Final Budget</u></b>
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	247,500	247,500	162,088	(85,412)
Total revenues	<u>\$ 247,500</u>	<u>247,500</u>	<u>\$ 162,088</u>	<u>\$ (85,412)</u>
<b>EXPENDITURES:</b>				
Salaries	\$ 19,648	\$ 19,648	\$ 1,320	\$ 18,328
Benefits	4,667	4,667	101	4,566
Purchased services	8,409	8,409	4,614	3,795
Supplies and materials	2,026	2,026	252	1,774
Payments to other governments	212,750	212,750	155,670	57,080
Capital outlay	-	-	-	-
Pension expense	-	-	131	(131)
Total expenditures	<u>\$ 247,500</u>	<u>\$ 247,500</u>	<u>\$ 162,088</u>	<u>\$ 85,412</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u><u>\$ -</u></u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

<b>Title IV - 21st Century Washington Junior High School</b>				
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	112,500	112,500	30,267	(82,233)
Total revenues	<u>\$ 112,500</u>	<u>\$ 112,500</u>	<u>\$ 30,267</u>	<u>\$ (82,233)</u>
<b>EXPENDITURES:</b>				
Salaries	\$ 6,738	\$ 6,738	\$ 1,899	\$ 4,839
Benefits	2,134	2,134	276	1,858
Purchased services	3,270	3,270	3,909	(639)
Supplies and materials	358	358	205	153
Payments to other governments	100,000	100,000	23,978	76,022
Capital outlay	-	-	-	-
Pension expense	-	-	-	-
Total expenditures	<u>\$ 112,500</u>	<u>\$ 112,500</u>	<u>\$ 30,267</u>	<u>\$ 82,233</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u><u>\$ -</u></u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

<b>Title IV - 21st Century United Township High School</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	118,050	118,050	11,445	(106,605)
Total revenues	<u>\$ 118,050</u>	<u>118,050</u>	<u>\$ 11,445</u>	<u>\$ (106,605)</u>
<b>EXPENDITURES:</b>				
Salaries	\$ 9,708	\$ 9,708	\$ 5,454	\$ 4,254
Benefits	2,952	2,952	40	2,912
Purchased services	3,340	3,340	3,343	(3)
Supplies and materials	200	200	200	-
Payments to other governments	101,850	101,850	1,174	100,676
Capital outlay	-	-	-	-
Pension expense	-	-	1,234	(1,234)
Total expenditures	<u>\$ 118,050</u>	<u>\$ 118,050</u>	<u>\$ 11,445</u>	<u>\$ 106,605</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ -</u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

<b>Title IV - 21st Century Glenview Middle School</b>				
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	285,000	285,000	70,803	(214,197)
Total revenues	<u>\$ 285,000</u>	<u>\$ 285,000</u>	<u>\$ 70,803</u>	<u>\$ (214,197)</u>
<b>EXPENDITURES:</b>				
Salaries	\$ 22,424	\$ 22,424	\$ -	\$ 22,424
Benefits	5,452	5,452	-	5,452
Purchased services	10,153	10,153	19,099	(8,946)
Supplies and materials	2,221	2,221	961	1,260
Payments to other governments	244,750	244,750	68,391	176,359
Capital outlay	-	-	-	-
Pension expense	-	-	-	-
Total expenditures	<u>\$ 285,000</u>	<u>\$ 285,000</u>	<u>\$ 88,451</u>	<u>\$ 196,549</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,648)</u>	<u>\$ (17,648)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ (17,648)</u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

<b>Title IV - 21st Century Hanson Elementary School</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	276,000	276,000	199,869	(76,131)
Total revenues	<u>\$ 276,000</u>	<u>\$ 276,000</u>	<u>\$ 199,869</u>	<u>\$ (76,131)</u>
<b>EXPENDITURES:</b>				
Salaries	\$ 20,791	\$ 20,791	\$ 3,831	\$ 16,960
Benefits	5,352	5,352	260	5,092
Purchased services	8,767	8,767	4,297	4,470
Supplies and materials	1,290	1,290	738	552
Payments to other governments	239,800	239,800	190,427	49,373
Capital outlay	-	-	-	-
Pension expense	-	-	316	(316)
Total expenditures	<u>\$ 276,000</u>	<u>\$ 276,000</u>	<u>\$ 199,869</u>	<u>\$ 76,131</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u><u>\$ -</u></u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	Early Childhood Ages 0-3			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
State sources	\$ 228,946	\$ 224,699	\$ 225,071	\$ 372
Federal sources	-	-	-	-
Total revenues	\$ 228,946	\$ 224,699	\$ 225,071	\$ 372
<b>EXPENDITURES:</b>				
Salaries	\$ 107,882	\$ 110,435	\$ 112,963	\$ (2,528)
Benefits	18,478	19,979	5,585	14,394
Purchased services	96,954	88,653	93,362	(4,709)
Supplies and materials	5,632	5,632	5,250	382
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Pension expense	-	-	7,911	(7,911)
Total expenditures	\$ 228,946	\$ 224,699	\$ 225,071	\$ (372)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			\$ -	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	Early Childhood Ages 3-5			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
State sources	\$ 1,820,808	\$ 1,787,028	\$ 1,838,731	\$ 51,703
Federal sources	-	-	-	-
Total revenues	\$ 1,820,808	\$ 1,787,028	\$ 1,838,731	\$ 51,703
<b>EXPENDITURES:</b>				
Salaries	\$ 806,979	\$ 691,544	\$ 685,330	\$ 6,214
Benefits	45,648	41,563	22,062	19,501
Purchased services	959,476	1,009,509	1,033,928	(24,419)
Supplies and materials	6,005	38,689	76,128	(37,439)
Payments to other governments	-	-	-	-
Capital outlay	2,700	5,723	6,495	(772)
Pension expense	-	-	14,788	(14,788)
Total expenditures	\$ 1,820,808	\$ 1,787,028	\$ 1,838,731	\$ (51,703)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			\$ -	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	<b>Early Childhood Cohort Program</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	12,408	12,408	9,488	(2,920)
Total revenues	\$ 12,408	\$ 12,408	\$ 9,488	\$ (2,920)
<b>EXPENDITURES:</b>				
Salaries	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-
Purchased services	244	244	9,488	(9,244)
Supplies and materials	-	-	-	-
Payments to other governments	12,164	12,164	-	12,164
Capital outlay	-	-	-	-
Pension expense	-	-	-	-
Total expenditures	\$ 12,408	\$ 12,408	\$ 9,488	\$ 2,920
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			\$ -	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	<b>Truants' Alt. and Optional Education</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
State sources	\$ 62,071	\$ 60,674	\$ 60,674	\$ -
Federal sources	-	-	-	-
Total revenues	<u>\$ 62,071</u>	<u>\$ 60,674</u>	<u>\$ 60,674</u>	<u>\$ -</u>
<b>EXPENDITURES:</b>				
Salaries	\$ 49,846	\$ 49,846	\$ 47,359	\$ 2,487
Benefits	8,416	7,362	3,350	4,012
Purchased services	3,809	3,466	5,306	(1,840)
Supplies and materials	-	-	-	-
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Pension expense	-	-	4,659	(4,659)
Total expenditures	<u>\$ 62,071</u>	<u>\$ 60,674</u>	<u>\$ 60,674</u>	<u>\$ -</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u><u>\$ -</u></u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	<b>Partnerships to Improve Community Health</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	42,749	42,749	14,945	(27,804)
Total revenues	\$ 42,749	\$ 42,749	\$ 14,945	\$ (27,804)
<b>EXPENDITURES:</b>				
Salaries	\$ 35,000	\$ 35,000	\$ 11,898	\$ 23,102
Benefits	2,302	2,302	1,026	1,276
Purchased services	3,093	3,093	232	2,861
Supplies and materials	2,354	2,354	222	2,132
Payments to other governments	-	-	-	-
Capital outlay	-	-	890	(890)
Pension expense	-	-	677	(677)
Total expenditures	\$ 42,749	\$ 42,749	\$ 14,945	\$ 27,804
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			<b>\$ -</b>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	<b>Mathematics and Science Partnership</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	320,000	448,000	162,745	(285,255)
	\$ 320,000	\$ 448,000	\$ 162,745	\$ (285,255)
<b>EXPENDITURES:</b>				
Salaries	\$ 81,100	\$ 94,500	\$ 20,616	\$ 73,884
Benefits	23,014	27,101	409	26,692
Purchased services	109,045	154,263	73,250	81,013
Supplies and materials	81,780	147,643	50,018	97,625
Payments to other governments	21,000	24,493	-	24,493
Capital outlay	4,061	-	-	-
Pension expense	-	-	5,542	(5,542)
	\$ 320,000	\$ 448,000	\$ 149,835	\$ 298,165
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,910</b>	<b>\$ 12,910</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			(12,910)	
<b>FUND BALANCE, END OF YEAR</b>			\$ -	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	<b>Preschool Development</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	72,771	72,771	14,735	(58,036)
Total revenues	<u>\$ 72,771</u>	<u>\$ 72,771</u>	<u>\$ 14,735</u>	<u>\$ (58,036)</u>
<b>EXPENDITURES:</b>				
Salaries	\$ 23,365	\$ 17,480	\$ 7,216	\$ 10,264
Benefits	2,349	3,821	291	3,530
Purchased services	10,281	10,281	730	9,551
Supplies and materials	10,876	10,876	4,898	5,978
Payments to other governments	25,000	29,413	-	29,413
Capital outlay	900	900	-	900
Pension expense	-	-	1,600	(1,600)
Total expenditures	<u>\$ 72,771</u>	<u>\$ 72,771</u>	<u>\$ 14,735</u>	<u>\$ 58,036</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u><u>\$ -</u></u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	ROE Operations			Variance with Final Budget
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	75,017	75,017	75,003	(14)
Total revenues	\$ 75,017	\$ 75,017	\$ 75,003	\$ (14)
<b>EXPENDITURES:</b>				
Salaries	\$ 57,962	\$ 57,962	\$ 51,673	\$ 6,289
Benefits	1,244	2,105	2,352	(247)
Purchased services	10,699	9,838	12,690	(2,852)
Supplies and materials	2,712	2,712	4,698	(1,986)
Payments to other governments	-	-	-	-
Capital outlay	2,400	2,400	3,400	(1,000)
Pension expense	-	-	190	(190)
Total expenditures	\$ 75,017	\$ 75,017	\$ 75,003	\$ 14
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			\$ -	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	<b>Regional Safe Schools Program</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	84,997	83,085	83,728	643
On-behalf payments	-	-	-	-
Total revenues	\$ 84,997	\$ 83,085	\$ 83,728	\$ 643
<b>EXPENDITURES:</b>				
Salaries	\$ 30,958	\$ 30,958	\$ 30,584	\$ 374
Benefits	5,445	4,533	1,897	2,636
Purchased services	48,294	47,294	4,662	42,632
Supplies and materials	300	300	1,289	(989)
Payments to other governments	-	-	42,792	(42,792)
Capital outlay	-	-	-	-
Pension expense	-	-	2,504	(2,504)
Total expenditures	\$ 84,997	\$ 83,085	\$ 83,728	\$ (643)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			\$ -	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

**SCHEDULE 5**

	<b>Teacher Quality Program</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Amounts</u></b>	<b><u>Final Budget</u></b>
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	4,410	4,410	4,410	-
Total revenues	\$ 4,410	\$ 4,410	\$ 4,410	\$ -
<b>EXPENDITURES:</b>				
Salaries	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-
Purchased services	4,410	4,410	4,410	-
Supplies and materials	-	-	-	-
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Pension expense	-	-	-	-
Total expenditures	\$ 4,410	\$ 4,410	\$ 4,410	\$ -
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			\$ -	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2015

SCHEDULE 6

	<u>General Education Development</u>	<u>School Bus Driver Training</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 18,299	\$ 4,397	\$ 22,696
Due from other governments	-	528	528
<b>TOTAL ASSETS</b>	<u>\$ 18,299</u>	<u>\$ 4,925</u>	<u>\$ 23,224</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 187	\$ 187
Accrued payroll	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 187</u>	<u>\$ 187</u>
<b>FUND BALANCES</b>			
Restricted	\$ 18,299	\$ 4,738	\$ 23,037
Unassigned	-	-	-
Total fund balances	<u>\$ 18,299</u>	<u>\$ 4,738</u>	<u>\$ 23,037</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 18,299</u>	<u>\$ 4,925</u>	<u>\$ 23,224</u>

SCHEDULE 7

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>General Education Development</u>	<u>School Bus Driver Training</u>	<u>Total</u>
<b>REVENUES:</b>			
Local sources	\$ 3,263	\$ 2,288	\$ 5,551
State sources	-	802	802
Other sources	-	-	-
Total revenues	<u>\$ 3,263</u>	<u>\$ 3,090</u>	<u>\$ 6,353</u>
<b>EXPENDITURES:</b>			
Salaries	\$ 8,053	\$ -	\$ 8,053
Benefits	481	-	481
Purchased services	2,003	2,417	4,420
Supplies and materials	-	-	-
Other objects	-	-	-
Capital Outlay	-	-	-
Pension expense	842	-	842
Total expenditures	<u>\$ 11,379</u>	<u>\$ 2,417</u>	<u>\$ 13,796</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (8,116)</b>	<b>\$ 673</b>	<b>\$ (7,443)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>26,415</u>	<u>4,065</u>	<u>30,480</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 18,299</u></u>	<u><u>\$ 4,738</u></u>	<u><u>\$ 23,037</u></u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 AGENCY FUNDS  
 JUNE 30, 2015

	<u>Distributive</u>	<u>Cafeteria Plan</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ 3,785</u>	<u>\$ 13,373</u>	<u>\$ 17,158</u>
<b>LIABILITIES</b>			
Due to plan participants	\$ -	\$ 13,373	\$ 13,373
Due to other governments and agencies	<u>3,785</u>	<u>-</u>	<u>3,785</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 3,785</u>	<u>\$ 13,373</u>	<u>\$ 17,158</u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES - AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>DISTRIBUTIVE</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 30,026</u>	<u>\$ 3,681,051</u>	<u>\$ 3,707,292</u>	<u>\$ 3,785</u>
<b>LIABILITIES</b>				
Due to other governments and agencies	<u>\$ 30,026</u>	<u>\$ 3,681,051</u>	<u>\$ 3,707,292</u>	<u>\$ 3,785</u>
 <b>CAFETERIA PLAN</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 10,773</u>	<u>\$ 41,703</u>	<u>\$ 39,103</u>	<u>\$ 13,373</u>
<b>LIABILITIES</b>				
Due to plan participants	<u>\$ 10,773</u>	<u>\$ 41,703</u>	<u>\$ 39,103</u>	<u>\$ 13,373</u>
 <b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 40,799</u>	<u>\$ 3,722,754</u>	<u>\$3,746,395</u>	<u>\$ 17,158</u>
<b>LIABILITIES</b>				
Due to plan participants	\$ 10,773	\$ 41,703	\$ 39,103	\$ 13,373
Due to other governments and agencies	<u>30,026</u>	<u>3,681,051</u>	<u>3,707,292</u>	<u>3,785</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 40,799</u>	<u>\$ 3,722,754</u>	<u>\$ 3,746,395</u>	<u>\$ 17,158</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

FEDERAL COMPLIANCE SECTION

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor/ Pass-Through Grantor/ <u>Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>Project #</u>	Expenditures 7/1/2014 - <u>6/30/2015</u>
U.S. Department of Education passed through Illinois State Board of Education:			
Title IV - 21st Century (Edison) <b>M</b>	84.287	14-4421-05	\$ 17,836
Title IV - 21st Century (Washington Junior High) <b>M</b>	84.287	14-4421-02	30,267
Title IV - 21st Century (Moline High School) <b>M</b>	84.287	14-4421-03	64,601
Title IV - 21st Century (Moline High School) <b>M</b>	84.287	15-4421-15	97,487
Title IV - 21st Century (Rock Island High School) <b>M</b>	84.287	14-4421-04	9,955
Title IV - 21st Century (Primary Academy) <b>M</b>	84.287	14-4421-01	26,347
Title IV - 21st Century (John Deere Middle School) <b>M</b>	84.287	15-4421-35	116,905
Title IV - 21st Century (United Township High School) <b>M</b>	84.287	14-4421-21	11,445
Title IV - 21st Century (Glenview Middle School) <b>M</b>	84.287	14-4421-22	18,545
Title IV - 21st Century (Glenview Middle School) <b>M</b>	84.287	15-4421-25	69,906
Title IV - 21st Century (Hanson Elementary School) <b>M</b>	84.287	14-4421-13	91,621
Title IV - 21st Century (Hanson Elementary School) <b>M</b>	84.287	15-4421-13	108,248
Total Title IV-21st Century			<u>\$ 663,163</u>
Title II - Teacher Quality	84.367A	14-4935-02	<u>\$ 4,410</u>
Mathematics and Science Partnership	84.366	14-4936-50	\$ 87,428
Mathematics and Science Partnership	84.366	14-4936-51	62,407
Total Mathematics and Science Partnership			<u>\$ 149,835</u>
Early Childhood Cohort Program	84.419B	15-4999-PK	<u>\$ 9,488</u>
Preschool Development	84.419B	15-4999-PE	<u>\$ 14,735</u>
Total passed through Illinois State Board of Education			<u>\$ 841,631</u>
U.S. Dept. of Education passed through Lee/Ogle Regional Office of Education #47:			
McKinney Education for Homeless Children	84.196	15-4920-00	<u>\$ 12,835</u>
Centers for Disease Control and Prevention passed through Trinity Medical Center:			
Partnership for Improving Community Health	93.331	U58DO005680	<u>\$ 14,945</u>
U.S. Dept. of Education passed through Illinois State Board of Education and Boone/Winnebago Regional Office of Education #04:			
Regional System of Support Provider (RESPRO)	84.010A	15-4331-SS	<u>\$ 64,558</u>
Total expenditures of federal awards			<u><u>\$ 933,969</u></u>

**M** Program was audited as a major program

The accompanying notes are an integral part of this schedule.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

1. BASIS OF PRESENTATION

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

2. DESCRIPTIONS OF FEDERAL PROGRAMS AUDITED AS A MAJOR PROGRAM

The major federal program of the Rock Island County Regional Office of Education No. 49 is the Title IV – 21<sup>st</sup> Century (CFDA # 84.287). The Title IV – 21<sup>st</sup> Century funds are used to finance after school activities.

3. SUBRECIPIENTS

None.

4. NON-CASH ASSISTANCE

There was no non-cash assistance in the current year.

5. INSURANCE

The Rock Island County Regional Office of Education No. 49 did not receive any Federal awards involving insurance with continuing compliance requirements.

6. LOANS AND LOAN GUARANTEES

The Rock Island County Regional Office of Education No. 49 did not receive any Federal awards involving loans or loan guarantees with continuing compliance requirements.