

State of Illinois
ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49

FINANCIAL AUDIT
For the Year Ended June 30, 2018

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

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49**

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**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49**

OFFICIALS

Regional Superintendent
(current and during the audit period)

Ms. Tammy Muerhoff

Assistant Regional Superintendent
(August 16, 2018 and current)

Mr. Clayton Naylor

Assistant Regional Superintendent
(during the audit period through August 14, 2018)

Ms. Jodie Atteberry

Office is located at:

3430 Avenue of the Cities
Moline, Illinois 61265

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49**

FINANCIAL REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	2
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	1	0

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

SUMMARY OF FINDINGS AND RESPONSES

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

2018-001	11-12	Controls Over Financial Statement Preparation	Material Weakness
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PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

2017-002	14	Controls Over Fund Accounting System	Material Weakness
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**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49**

FINANCIAL REPORT SUMMARY (CONTINUED)

EXIT CONFERENCE

The Rock Island County Regional Office of Education No. 49 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2018. Throughout the audit, meetings were held between auditors and Regional Office officials to discuss matters obtained in this report. Responses to the recommendations were provided by Honorable Tammy Muerhoff, Regional Superintendent, on March 11, 2019.

**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 Winkel, Parker & Foster, CPA PC.

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

INDEPENDENT AUDITOR'S 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 Rock Island County Regional Office of Education No. 49, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rock Island County Regional Office of Education No. 49, as of June 30, 2018, 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.

Emphasis of a Matter

As discussed in Note 13 to the financial statements, Rock Island County Regional Office of Education No. 49 adopted new accounting guidance related to Governmental Accounting Standard Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rock Island County Regional Office of Education No. 49's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2019 on our consideration of Rock Island County Regional Office of Education No. 49's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Rock Island County Regional Office of Education No. 49's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rock Island County Regional Office of Education No. 49's internal control over financial reporting and compliance.

ORIGINAL SIGNATURE ON FILE

Clinton, Iowa
April 15, 2019

**INDEPENDENT AUDITOR'S 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 Rock Island County Regional Office of Education No. 49, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Rock Island County Regional Office of Education No. 49's basic financial statements, and have issued our report thereon dated April 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rock Island County Regional Office of Education No. 49's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rock Island County Regional Office of Education No. 49's financial statements are free from 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 Response to Finding

Rock Island County Regional Office of Education No. 49's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Rock Island County Regional Office of Education No. 49's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Rock Island County Regional Office of Education No. 49's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ORIGINAL SIGNATURE ON FILE

Clinton, Iowa
April 15, 2019

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018**

Section I: Summary of Auditor's Results:

Financial Statements in Accordance with Generally Accepted Accounting Principles

Type of auditor's report issued: _____ Unmodified _____

Internal control over financial reporting:

- Material weakness(es) identified? x yes no
- Significant deficiency(ies) identified? yes x none reported
- Noncompliance material to
 financial statements noted? yes x no

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018**

Section II: Financial Statement Findings:

FINDING 2018-001 - Controls Over Financial Statement Preparation (Repeat of findings 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1, and 07-1)

Criteria/Specific Requirement:

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).

Condition:

Rock Island County Regional Office of Education No. 49 does not have sufficient internal controls over the financial reporting process. While 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 and correct, financial statement misstatements and disclosure omissions in a timely manner.

During review of Regional Office of Education No. 49's financial information prepared by the ROE, it was noted the ROE did not have adequate controls to ensure financial statement balances were accurate. While the ROE did maintain records to indicate the balances of financial statement accounts, material audit adjustments were proposed in order to ensure those balances were accurate.

Effect:

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 and correct, financial statement misstatements and disclosure omissions in a timely manner.

Cause:

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

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018**

Section II: Financial Statement Findings:

FINDING 2018-001 - Controls Over Financial Statement Preparation (Repeat of findings 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1, and 07-1) (Continued)

Auditor's Recommendation:

As part of internal control over the preparation of financial statements, including disclosures, Rock Island County Regional Office of Education No. 49 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of Regional Office of Education No. 49'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 and direct review of the financial statements of Rock Island County Regional Office of Education. The Rock Island County Regional Office of Education has also contracted with an auditing firm to provide assistance with the preparation of financial statements in order to review and provide additional oversight to ensure the utmost level of accuracy and comprehensive financial statement preparation.

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
June 30, 2018**

FINDING 2018-001 - Controls Over Financial Statement Preparation (Repeat of findings 17-001, 16-001, 15-001, 14-001, 13-001, 12-1, 11-1, 10-1, 09-1, 08-1, and 07-1)

Condition:

Rock Island County Regional Office of Education No. 49 does not have sufficient internal controls over the financial reporting process. While 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 and correct, financial statement misstatements and disclosure omissions in a timely manner.

During review of Regional Office of Education No. 49's financial information prepared by the ROE, it was noted the ROE did not have adequate controls to ensure financial statement balances were accurate. While the ROE did maintain records to indicate the balances of financial statement accounts, material audit adjustments were proposed in order to ensure those balances were accurate.

Plan:

The Rock Island County Regional Office of Education will acquire the necessary information and training in order to ensure the financial statement balances are accurate and eliminate the need for numerous material audit adjustments. Additionally, the Rock Island County Regional Office of Education obtained services from an auditing firm to conduct financial statement preparation for the 2017-2018 fiscal year audit process and will continue to do so for the 2018-2019 fiscal year audit process.

Anticipated Completion Date:

Ongoing

Contact Person Responsible for Corrective Action:

Regional Superintendent, Tammy Muerhoff, Rock Island County Regional Office of Education No. 49

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
June 30, 2018**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2017-002	Controls Over Fund Accounting System	Resolved

During the current audit, audit testing results indicated the Regional Office implemented corrective action and controls over the fund accounting system were implemented.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

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, 2018. We encourage readers to consider this information in conjunction with Rock Island County Regional Office of Education No. 49's financial statements, which follow.

2018 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$426,200 in fiscal year 2017 to \$427,760 in fiscal year 2018. General Fund expenditures increased from \$426,200 in fiscal year 2017 to \$427,760 in fiscal year 2018. The increase in revenues and expenditures is due to an increase in the on-behalf payments.
- Institute Fund revenues increased from \$44,982 in fiscal year 2017 to \$65,534 in fiscal year 2018. Expenses in the Institute Fund increased from \$42,106 in fiscal year 2017 to \$48,753 in fiscal year 2018.
- Education Fund revenues increased from \$3,012,714 in fiscal year 2017 to \$3,543,724 in fiscal year 2018. Expenditures increased from \$3,106,813 in fiscal year 2017 to \$3,535,574 in fiscal year 2018. The Education Fund is made up of grants that can vary greatly from year to year as some programs have decreased funding or are discontinued while others see a funding increase.
- Enterprise Workshop Fund revenues increased from \$205,159 in fiscal year 2017 to \$240,723 in fiscal year 2018. This increase was primarily due to an increase in the number of professional learning opportunities which were provided and participants interested in attending; as well as, grant funds that were available to offset costs for participants.
- Government-wide revenues increased 12% from \$4,193,254 in fiscal year 2017 to \$4,694,491 in fiscal year 2018. Government-wide expenses increased 12% from \$3,987,369 in fiscal year 2017 to \$4,465,447 in fiscal year 2018. The increases were mainly attributable to increased activity in the Early Childhood program.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

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 Supplementary Information further explains and supports the financial statements with information about the Teachers' Retirement System and Illinois Municipal Retirement Fund pension (assets) liabilities, Teachers' Health Insurance Security Fund OPEB liability, and relating employer contributions.

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

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.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

**Figure A-1
Major Features of the Government-wide and Fund Financial Statements**

	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 School Facility Occupation Tax fund
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses, and Changes in Fund Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position
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
Type of deferred outflow/inflow information	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/acquisition of fund balance that is applicable to a future reporting period	Consumption/acquisition of net position that is applicable to a future period	Consumption/acquisition of net position that is applicable to a future reporting period
Type of inflow/outflow information	All revenues and expenses during 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 COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

**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, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 position 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 COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

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 and funding 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 COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

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 and deferred inflows of resources exceeded assets and deferred outflows of resources by \$142,053 as of June 30, 2018.

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 years ended June 30, 2018 and 2017.

2018

	Governmental Activities	Business- Type Activities	Total
Current assets	\$ 584,231	\$ 794,210	\$ 1,378,441
Non-current assets	<u>129,325</u>	<u>15,101</u>	<u>144,426</u>
Total assets	<u>713,556</u>	<u>809,311</u>	<u>1,522,867</u>
 Deferred outflows of resources	 <u>108,782</u>	 <u>9,100</u>	 <u>117,882</u>
 Current liabilities	 410,445	 13,152	 423,597
Non-current liabilities	<u>781,342</u>	<u>-</u>	<u>781,342</u>
Total liabilities	<u>1,191,787</u>	<u>13,152</u>	<u>1,204,939</u>
 Deferred inflows of resources	 <u>566,039</u>	 <u>11,824</u>	 <u>577,863</u>
 Net position			
Net investment in capital assets	47,372	2,855	50,227
Unrestricted	(1,238,599)	778,334	(460,265)
Restricted - other	<u>255,739</u>	<u>12,246</u>	<u>267,985</u>
Total net position	<u>\$ (935,488)</u>	<u>\$ 793,435</u>	<u>\$ (142,053)</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

2017 (not restated)

	Governmental Activities	Business- Type Activities	Total
Current assets	\$ 1,015,616	\$ 744,413	\$ 1,760,029
Capital assets, net of depreciation	44,923	3,884	48,807
Total assets	<u>1,060,539</u>	<u>748,297</u>	<u>1,808,836</u>
Deferred outflows related to pensions	<u>199,260</u>	<u>24,591</u>	<u>223,851</u>
Current liabilities	857,377	7,320	864,697
Net pension liability	<u>263,538</u>	<u>10,994</u>	<u>274,532</u>
Total liabilities	<u>1,120,915</u>	<u>18,314</u>	<u>1,139,229</u>
Deferred inflows related to pensions	<u>655,677</u>	<u>-</u>	<u>655,677</u>
Net position			
Net investment in capital assets	44,923	3,884	48,807
Unrestricted	(719,955)	750,690	30,735
Restricted - other	158,239	-	158,239
Total net position	<u>\$ (516,793)</u>	<u>\$ 754,574</u>	<u>\$ 237,781</u>

Changes in net position. Rock Island County Regional Office of Education No. 49's total revenue for the fiscal year ended June 30, 2018 was \$4,694,491. The total cost of all programs and services was \$4,465,447. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2018 and 2017.

2018

	Governmental Activities	Business- Type Activities	Total
Revenues:			
Program revenues			
Charges for services	\$ 70,725	\$ 240,723	\$ 311,448
Operating grants and contributions	3,534,176	-	3,534,176
General revenues			
State sources	97,645	-	97,645
On-behalf payments	<u>751,222</u>	<u>-</u>	<u>751,222</u>
Total revenues	<u>4,453,768</u>	<u>240,723</u>	<u>4,694,491</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

2018

	<u>Governmental</u>	<u>Business-</u>	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>
		<u>Activities</u>	
Expenses:			
Instructional services:			
Salaries and benefits	\$ 1,193,741	\$ 93,130	\$ 1,286,871
Pension expense (benefit)	(161,277)	10,178	(151,099)
Purchased services	1,576,387	94,984	1,671,371
Supplies and materials	95,485	2,541	98,026
Capital outlay	600	-	600
Depreciation and disposition losses	19,434	1,029	20,463
Intergovernmental:			
Payments to other governments	787,993	-	787,993
Administrative			
On-behalf payments	<u>751,222</u>	<u>-</u>	<u>751,222</u>
Total expenses	<u>4,263,585</u>	<u>201,862</u>	<u>4,465,447</u>
Change in net position	190,183	38,861	229,044
Net position, beginning of year, as restated	<u>(1,125,671)</u>	<u>754,574</u>	<u>(371,097)</u>
Net position, end of year	<u>\$ (935,488)</u>	<u>\$ 793,435</u>	<u>\$ (142,053)</u>

Operating grants and contributions account for 75% of the total revenue. Rock Island County Regional Office of Education No. 49's expenses primarily relate to instructional services, which accounts for 66% of the total expenses.

2017 (not restated)

	<u>Governmental</u>	<u>Business-</u>	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>
		<u>Activities</u>	
Revenues:			
Program revenues			
Charges for services	\$ 70,807	\$ 205,159	\$ 275,966
Operating grants and contributions	3,013,657	-	3,013,657
General revenues			
State sources	167,847	-	167,847
On-behalf payments	<u>735,784</u>	<u>-</u>	<u>735,784</u>
Total revenues	<u>3,988,095</u>	<u>205,159</u>	<u>4,193,254</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

2017 (not restated)

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Expenses:			
Education:			
Salaries and benefits	\$ 1,124,570	\$ 89,784	\$ 1,214,354
Pension expense (benefit)	(133,369)	13,340	(120,029)
Purchased services	1,163,767	62,415	1,226,182
Supplies and materials	126,098	2,141	128,239
Payments to other governments	778,794	-	778,794
Capital outlay	3,684	-	3,684
Depreciation and disposition losses	19,753	608	20,361
Administrative			
On-behalf payments	<u>735,784</u>	<u>-</u>	<u>735,784</u>
Total expenses	<u>3,819,081</u>	<u>168,288</u>	<u>3,987,369</u>
Excess of revenues over expenses before transfers	169,014	36,871	205,885
Transfers	<u>1,293</u>	<u>(1,293)</u>	<u>-</u>
Change in net position	170,307	35,578	205,885
Net position, beginning of year	<u>(687,100)</u>	<u>718,996</u>	<u>31,896</u>
Net position, end of year	<u>\$ (516,793)</u>	<u>\$ 754,574</u>	<u>\$ 237,781</u>

Operating grants and contributions account for 72% of the total revenue. Rock Island County Regional Office of Education No. 49's expenses primarily relate to education, which accounts for 82% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$3,988,095 and \$4,453,768 and expenses were \$3,819,081 and \$4,263,585 for 2017 and 2018, 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 COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

<u>2018</u>	<u>Total</u>	<u>Net (Expenses)</u>
	<u>Expenses</u>	<u>Revenues</u>
Instructional services:		
Salaries and benefits	\$ 1,193,741	\$ (28,147)
Pension expense (benefit)	(161,277)	210,050
Purchased services	1,576,387	5,526
Supplies and materials	95,485	433
Capital outlay	600	20,605
Depreciation and disposition losses	19,434	(19,434)
Intergovernmental:		
Payments to other governments	787,993	(96,495)
Administrative		
On-behalf payments	<u>751,222</u>	<u>(751,222)</u>
Total expenses	<u>\$ 4,263,585</u>	<u>\$ (658,684)</u>
<u>2017</u>	<u>Total</u>	<u>Net (Expenses)</u>
	<u>Expenses</u>	<u>Revenues</u>
Education:		
Salaries and benefits	\$ 1,124,570	\$ (24,416)
Pension expense (benefit)	(133,369)	177,472
Purchased services	1,163,767	(28,211)
Supplies and materials	126,098	(1,618)
Payments to other governments	778,794	(113,691)
Capital outlay	3,684	11,384
Depreciation and disposition losses	19,753	(19,753)
Administrative		
On-behalf payments	<u>735,784</u>	<u>(735,784)</u>
Total expenses	<u>\$ 3,819,081</u>	<u>\$ (734,617)</u>

- The cost of all governmental activities was \$3,819,081 and \$4,263,585 for 2017 and 2018, respectively.
- Federal and state governments subsidized certain governmental activities with grants and contributions of \$3,013,657 and \$3,534,176 for 2017 and 2018, respectively.

Net cost of governmental activities (\$658,684), was financed by general revenues, which are made up of primarily state sources (\$97,645) and on-behalf payments (\$751,222) for 2018.

Net cost of governmental activities (\$734,617), was financed by general revenues, which are made up of primarily state sources (\$167,847) and on-behalf payments (\$735,784) for 2017.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Business-Type Activities

Revenues for business-type activities were \$240,723 and \$205,159 and expenses were \$201,862 and \$168,288 for 2018 and 2017, respectively. Rock Island County Regional Office of Education No. 49's business-type activities include the Workshops Fund. For the business-type activities, revenues are comprised of charges for services.

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 \$51,678, above last year's ending fund balance of \$27,059.

Governmental Fund Highlights

The Institute Fund balance increased from \$145,335 in 2017 to \$162,116 in 2018. The increase was primarily due to an increase in applications, endorsements, and renewals for educator licensure.

The Education Fund balance increased from \$(133,796) in 2017 to \$(125,646) in 2018. The increase is mostly due to a decrease in unavailable revenue which is derived from untimely grant reimbursements.

Proprietary Fund Highlights

The Workshops Fund net position increased from \$754,574 at June 30, 2017 to \$793,435 at June 30, 2018, representing an increase of approximately 5%. Net position fluctuates with the number of professional learning opportunities which are provided and participants interested in attending.

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 COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

CAPITAL ASSETS

As of June 30, 2018, Rock Island County Regional Office of Education No. 49 had invested \$50,227 in capital assets, including furniture and equipment. Total depreciation expense for the year was \$19,710.

The following schedules present capital asset balances net of accumulated depreciation for the fiscal years ended June 30, 2018 and 2017.

<u>2018</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 47,372	\$ 2,855	\$ 50,227
<u>2017</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 44,923	\$ 3,884	\$ 48,807

Additional information on Rock Island County Regional Office of Education No. 49's capital assets can be found in Note 4 on page 51 and 52 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 general fund deficit of \$6 billion in the 2018 fiscal year. The State of Illinois continues to be in a dire financial situation with an unfunded pension liability of \$133.5 billion. The budget deficit and unfunded pension liability negatively affects the Regional Office of Education's ability to obtain grants to lend for services in the community; as well as, to provide for stable and continued growth. Consequently, the backlog of payments in fiscal year 2018 reached \$7.91 billion. The backlog of payments from the State of Illinois negatively impacts grants. The backlog of payments have caused delayed programming of grant programming and do not allow for maintaining programmatic initiatives to provide much needed services throughout the Rock Island County community.

The United States Federal Government has experienced financially trying times and the number and availability of federal grants and federal monies has impacted the opportunities for continued and expansion of services provided to the Rock Island County community.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018**

**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.

BASIC FINANCIAL STATEMENTS

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 340,936	\$ 505,064	\$ 846,000
Accounts receivable	12,328	-	12,328
Due from other governments	496,035	24,078	520,113
Due from (to) other funds	(265,068)	265,068	-
Total current assets	<u>584,231</u>	<u>794,210</u>	<u>1,378,441</u>
Non-current assets:			
Capital assets, net of depreciation	47,372	2,855	50,227
Net pension asset	81,953	12,246	94,199
Total non-current assets	<u>129,325</u>	<u>15,101</u>	<u>144,426</u>
Total assets	<u>713,556</u>	<u>809,311</u>	<u>1,522,867</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	104,079	9,100	113,179
Deferred outflows related to OPEB	4,703	-	4,703
Total deferred outflows of resources	<u>108,782</u>	<u>9,100</u>	<u>117,882</u>
LIABILITIES			
Current liabilities:			
Accounts payable	78,776	7,272	86,048
Accrued expenses	39,553	5,880	45,433
Due to other governments	206,146	-	206,146
Unearned revenue	85,970	-	85,970
Total current liabilities	<u>410,445</u>	<u>13,152</u>	<u>423,597</u>
Non-current liabilities:			
Net pension liability	212,222	-	212,222
Net OPEB liability	569,120	-	569,120
Total non-current liabilities	<u>781,342</u>	<u>-</u>	<u>781,342</u>
Total liabilities	<u>1,191,787</u>	<u>13,152</u>	<u>1,204,939</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	485,838	11,824	497,662
Deferred inflows related to OPEB	80,201	-	80,201
Total deferred inflows of resources	<u>566,039</u>	<u>11,824</u>	<u>577,863</u>
NET POSITION			
Net investment in capital assets	47,372	2,855	50,227
Unrestricted	(1,238,599)	778,334	(460,265)
Restricted - other	255,739	12,246	267,985
Total net position	<u>\$ (935,488)</u>	<u>\$ 793,435</u>	<u>\$ (142,053)</u>

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

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Change in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary government:						
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 1,193,741	\$ 38,191	\$ 1,127,403	\$ (28,147)	\$ -	\$ (28,147)
Pension expense (benefit)	(161,277)	2,829	45,944	210,050	-	210,050
Purchased services	1,576,387	26,876	1,555,037	5,526	-	5,526
Supplies and materials	95,485	495	95,423	433	-	433
Capital outlay	600	-	21,205	20,605	-	20,605
Depreciation and disposition losses	19,434	-	-	(19,434)	-	(19,434)
Intergovernmental:						
Payments to other governments	787,993	2,334	689,164	(96,495)	-	(96,495)
Administrative:						
On-behalf payments	<u>751,222</u>	<u>-</u>	<u>-</u>	<u>(751,222)</u>	<u>-</u>	<u>(751,222)</u>
Total governmental activities	4,263,585	70,725	3,534,176	(658,684)	-	(658,684)
Business-type activities:						
Professional development	<u>201,862</u>	<u>240,723</u>	<u>-</u>	<u>-</u>	<u>38,861</u>	<u>38,861</u>
Total primary government	<u>\$ 4,465,447</u>	<u>\$ 311,448</u>	<u>\$ 3,534,176</u>	<u>(658,684)</u>	<u>38,861</u>	<u>(619,823)</u>
General revenues:						
State sources				97,645	-	97,645
On-behalf payments				<u>751,222</u>	<u>-</u>	<u>751,222</u>
Total general revenues				<u>848,867</u>	<u>-</u>	<u>848,867</u>
CHANGE IN NET POSITION				190,183	38,861	229,044
NET POSITION, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 13)				<u>(1,125,671)</u>	<u>754,574</u>	<u>(371,097)</u>
NET POSITION, END OF YEAR				<u><u>\$ (935,488)</u></u>	<u><u>\$ 793,435</u></u>	<u><u>\$ (142,053)</u></u>

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, 2018

	Special Revenue				Total Governmental Funds
	General Fund	Education Fund	Institute	Nonmajor Funds	
ASSETS					
Cash and cash equivalents	\$ -	\$ 162,524	\$ 163,934	\$ 14,478	\$ 340,936
Accounts receivable	-	11,778	-	550	12,328
Due from other governments	-	495,855	-	180	496,035
Total assets	-	670,157	163,934	15,208	849,299
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 670,157	\$ 163,934	\$ 15,208	\$ 849,299
LIABILITIES					
Accounts payable	\$ -	\$ 78,776	\$ -	\$ -	\$ 78,776
Accrued expenses	-	37,735	1,818	-	39,553
Due to other governments	-	206,146	-	-	206,146
Due to other funds	-	265,068	-	-	265,068
Unearned revenue	-	85,970	-	-	85,970
Total liabilities	-	673,695	1,818	-	675,513
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	122,108	-	-	122,108
FUND BALANCE (DEFICIT)					
Restricted	-	-	162,116	15,208	177,324
Unassigned	-	(125,646)	-	-	(125,646)
Total fund balance (deficit)	-	(125,646)	162,116	15,208	51,678
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ -	\$ 670,157	\$ 163,934	\$ 15,208	\$ 849,299

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
June 30, 2018**

Total fund balance of governmental funds (page 32) \$ 51,678

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

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the governmental
funds. 47,372

Receivables not collected within 60 days of year end are not
available soon enough to pay for the current period's expenditures
and, therefore, are considered "unavailable" and are deferred inflows
of resources in the governmental funds. 122,108

Non-current assets related to pension benefits are collected but are
not payable in the current period and, therefore, are not reported in
the governmental funds. 81,953
Net pension asset - IMRF

Pension and OPEB related deferred outflows of resources and
deferred inflows of resources are not due and payable in the current
year and, therefore, are not reported in the governmental funds as
follows:

Deferred outflows of resources - TRS	43,179
Deferred outflows of resources - IMRF	60,900
Deferred outflows of resources - OPEB	4,703
Deferred inflows of resources - TRS	(406,707)
Deferred inflows of resources - IMRF	(79,131)
Deferred inflows of resources - OPEB	<u>(80,201)</u>
	<u>(457,257)</u>

Non-current liabilities are not due and payable in the current period
and, therefore, are not reported as liabilities in the governmental
funds. (212,222)
Net pension liability - TRS (212,222)
Net OPEB liability (569,120)
(781,342)

Net position of governmental activities (page 30) \$ (935,488)

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
Year Ended June 30, 2018

	<u>Special Revenue</u>				Total Governmental Funds
	General Fund	Education Fund	Institute	Nonmajor Funds	
REVENUES:					
Local sources	\$ -	\$ 56,319	\$ 65,534	\$ 5,421	\$ 127,274
State sources	97,645	2,846,153	-	1,244	2,945,042
Federal sources	-	641,252	-	-	641,252
On-behalf payments	330,115	-	-	-	330,115
Total revenues	<u>427,760</u>	<u>3,543,724</u>	<u>65,534</u>	<u>6,665</u>	<u>4,043,683</u>
EXPENDITURES:					
Instructional services:					
Salaries and benefits	-	1,126,948	29,035	2,018	1,158,001
Pension expense	-	44,337	2,170	143	46,650
Purchased services	-	1,554,428	17,548	4,411	1,576,387
Supplies and materials	-	95,080	-	405	95,485
Administrative:					
On-behalf payments	330,115	-	-	-	330,115
Intergovernmental:					
Payments to other governments	97,645	692,298	-	-	789,943
Capital outlay	-	22,483	-	-	22,483
Total expenditures	<u>427,760</u>	<u>3,535,574</u>	<u>48,753</u>	<u>6,977</u>	<u>4,019,064</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	8,150	16,781	(312)	24,619
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>-</u>	<u>(133,796)</u>	<u>145,335</u>	<u>15,520</u>	<u>27,059</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ (125,646)</u>	<u>\$ 162,116</u>	<u>\$ 15,208</u>	<u>\$ 51,678</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
Year Ended June 30, 2018**

Net change in fund balance (page 34) \$ 24,619

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

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

Capital outlay	21,883
Depreciation and disposition losses	<u>(19,434)</u>
	<u>2,449</u>

Some receivables will not be collected for several months after fiscal year end, so they are not considered as "available" revenues in the governmental funds, and they are instead counted as deferred inflows of resources. They are however, recorded as revenues in the Statement of Activities.

Current year unavailable revenue	122,108
Prior year unavailable revenue	<u>(131,180)</u>
	<u>(9,072)</u>

The current year pension and OPEB contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the Statement of Net Position.

Pension contributions	28,651
OPEB contributions	<u>4,703</u>
	<u>33,354</u>

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

Pension benefit	179,276
Net OPEB expense	<u>(40,443)</u>
	<u>138,833</u>

Change in net position of governmental activities (page 31) \$ 190,183

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 FUND
6/30/2018**

	<u>Business-Type Activities Enterprise Fund</u>
	<u>Workshops</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 505,064
Due from other governments	24,078
Due from other funds	<u>265,068</u>
Total current assets	<u>794,210</u>
Non-current assets:	
Capital assets, net of depreciation	2,855
Net pension asset	<u>12,246</u>
Total non-current assets	<u>15,101</u>
Total assets	<u>809,311</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>9,100</u>
LIABILITIES	
Current liabilities:	
Accounts payable	7,272
Accrued expenses	<u>5,880</u>
Total current liabilities	<u>13,152</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>11,824</u>
NET POSITION	
Net investment in capital assets	2,855
Unrestricted	778,334
Restricted - other	<u>12,246</u>
TOTAL NET POSITION	<u><u>\$ 793,435</u></u>

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 FUND
Year Ended June 30, 2018**

	Business-Type Activities Enterprise Fund
	<u>Workshops</u>
OPERATING REVENUES:	
Charges for services	\$ <u>240,723</u>
OPERATING EXPENSES:	
Salaries	86,687
Benefits	6,443
Pension expense	10,178
Purchased services	94,984
Supplies and materials	2,541
Depreciation	<u>1,029</u>
Total operating expenses	<u>201,862</u>
CHANGE IN NET POSITION	38,861
NET POSITION, BEGINNING OF YEAR	<u>754,574</u>
NET POSITION, END OF YEAR	<u><u>\$ 793,435</u></u>

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 FUND
Year Ended June 30, 2018**

	<u>Business-Type Activities Enterprise Fund</u>
	<u>Workshops</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts for workshops and services	\$ 236,378
Payments to suppliers and providers of goods and services	(92,415)
Payments to employees	(98,511)
Net cash provided by operating activities	<u>45,452</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Interfund loans	<u>144,257</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	189,709
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>315,355</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 505,064</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 38,861
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and disposition losses	1,029
Effects of changes in assets and liabilities:	
Due from other governments	(4,345)
Net pension asset	(12,246)
Deferred outflows related to pensions	15,491
Accounts payable	5,110
Accrued expenses	722
Net pension liability	(10,994)
Deferred inflows related to pensions	<u>11,824</u>
Net cash provided by operating activities	<u>\$ 45,452</u>

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 FUNDS
June 30, 2018

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 11,100
Due from other governments	<u>3,062,625</u>
TOTAL ASSETS	<u>\$ 3,073,725</u>
LIABILITIES	
Due to other governments	\$ 3,062,625
Due to plan participants	<u>11,100</u>
TOTAL LIABILITIES	<u>\$ 3,073,725</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, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rock Island County Regional Office of Education No. 49 was created when an Educational Service Region became a Regional Office of Education on August 7, 1995. The Rock Island County Regional Office of Education No. 49 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 Rock Island County Regional Office of Education No. 49 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 Rock Island County Regional Office of Education No. 49 also include, but are not limited to, the following:

- Processing teacher licensures;
- Teaching initial and refresher classes for school bus drivers within Rock Island County Regional Office of Education No. 49;
- Reviewing 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 Regional Office of Education No. 49'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 Rock Island County Regional Office of Education No. 49's reporting entity includes all related organizations for which it exercises oversight responsibility.

The Rock Island County Regional Office of Education No. 49 has developed criteria to determine whether outside agencies with activities which benefit the citizens of Rock Island County Regional Office of Education No. 49, 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 Rock Island County Regional Office of Education No. 49 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.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Rock Island County Regional Office of Education No. 49 has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the Regional Office of Education No. 49's financial statements. In addition, the Regional Office of Education No. 49 is not aware of any entity which would exercise such oversight which would result in the Regional Office of Education No. 49 being considered a component unit of the entity.

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 Rock Island County Regional Office of Education No. 49. 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 Rock Island County Regional Office of Education No. 49'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 for any debt 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 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, contributions and interest restricted to meeting the operational requirements or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Rock Island County Regional Office of Education No. 49 reports the following major governmental funds:

The General Fund is used to account for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted for in another fund. The 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 Rock Island County and the State on the Regional Office of Education No. 49'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 Regional Office of Education No. 49'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 Rock Island County Regional Office of Education No. 49's teachers. Fees are collected from teacher license registrations. Monies are expended to conduct teachers' institutes, conferences, and workshops and defray expenses related to technology improvements and administrative processing of licenses. All funds generated remain restricted until expended only on the aforementioned activities.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Regional Office of Education No. 49's Education Fund accounts include the following:

Title IV - 21st Century John Deere Middle School - to account for grant monies received for, and payment of, the 21st Century program at John Deere Middle School.

Title IV - 21st Century Moline High School - to account for grant monies received for, and payment of, the 21st Century program at Moline High School.

Title IV - 21st Century Glenview Middle School - to account for grant monies received for, and payment of, the 21st Century program at Glenview Middle School.

Title IV - 21st Century Hanson Elementary School - to account for grant monies received for, and payment of, the 21st 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 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) - 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 community health and reduce burdens of chronic diseases.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the operating fund of the Regional Office of Education No. 49.

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

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

School Wellness - used to account for grant monies received for, and payments of, the Partnerships to Improve Community Health - School Wellness program.

Nutrition Curriculum - used to account for community foundation monies received for building and increasing nutrition curriculum materials among school districts in Scott County, Iowa, and Rock Island County, Illinois.

AdvancED - used to account for a program through AdvancED, which provides accreditation that is designated specifically for education service agencies.

Rock Island County Regional Office of Education No. 49's Non-Major Special Revenue Funds include the following:

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

School Bus Driver Training - to account for the stewardship of the assets held in trust in connection with the Bus Driver Training Program.

Rock Island County Regional Office of Education No. 49's proprietary fund is the Enterprise Workshops Fund. This fund is used to account for workshops provided by the Rock Island County Regional Office of Education No. 49.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rock Island County Regional Office of Education No. 49 reports fiduciary funds which are used to account for assets held by the Regional Office of Education No. 49 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Rock Island County Regional Office of Education No. 49'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. The Regional Superintendent maintains the following Agency Funds:

School Facility Occupation Tax - used to account for 1 percent sales tax collected by Rock Island County for school facility maintenance and improvements to be distributed to the school districts within the county.

Cafeteria Plan - used to account for funds collected through payroll deductions from participating employees. Rock Island County Regional Office of Education No. 49 is responsible for reimbursing the cost of employees' medical expenses.

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 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.

Rock Island County Regional Office of Education No. 49 records on-behalf payments made by Rock Island County and the State to the Teachers' Retirement System and Teachers' Health Insurance Security Fund as revenue and expenditures.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Capital asset acquisitions are reported as expenditures in governmental funds.

Under the terms of grant agreements, Rock Island County Regional Office of Education No. 49 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 Rock Island County Regional Office of Education No. 49's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned, and then unassigned, if any.

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 a proprietary fund's principal ongoing operations. The principal operating revenues of Rock Island County Regional Office of Education No. 49'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.

Rock Island County Regional Office of Education No. 49 maintains its financial records on the cash basis. The financial statements of Rock Island County Regional Office of Education No. 49 are prepared by making memorandum adjusting entries to the cash basis financial records.

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

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

Cash and investments - The Rock Island County Regional Office of Education No. 49 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.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets - Capital assets, which include furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by Rock Island County Regional Office of Education No. 49 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.

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

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

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

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 49's Plan. For this purpose, the Regional Office of Education No. 49's Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred inflows of resources - 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 in the governmental fund financial statements consist of grant receivables not collected within sixty days after year end. Deferred inflows of resources in the Statement of Net Position consist of unrecognized items not yet charged to pension and OPEB expense.

Restricted net position - In the government-wide Statement of Net 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

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

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

Restricted Fund Balance - The portion of a governmental fund's net position that is subject to external enforceable legal restrictions. The following fund balances are restricted by Illinois Statue: Institute, 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.

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.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned Fund Balance - Available expendable resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the following: Title IV - 21st Century John Deere Middle School, Title IV - 21st Century Moline High School, Title IV - 21st Century Glenview Middle School, Title IV - 21st Century Hanson Elementary School, Early Childhood Cohort, Truants Alt. and Optional Education, Preschool Development, ROE Operations Fund, and Regional Safe Schools Program.

Budgets - The Regional Office of Education No. 49 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 Regional Office of Education No. 49 are subject to budget approval by the State of Illinois including: Title IV - 21st Century John Deere Middle School, Title IV - 21st Century Moline High School, Title IV - 21st Century Glenview Middle School, Title IV - 21st Century Hanson Elementary School, Early Childhood Ages 0-3, Early Childhood Ages 3-5, Truants Alt. and Optional Education, McKinney Education for Homeless Children, Preschool Development, ROE Operations Fund, Regional Safe Schools Program, Teacher Quality Program, and AdvancED.

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

E. Subsequent Events

Management has evaluated subsequent events through April 15, 2019, the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

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

Deposits

At June 30, 2018, the carrying amount of Rock Island County Regional Office of Education No. 49's deposits was \$857,100 and the bank balance was \$1,050,507.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, Rock Island County Regional Office of Education No. 49's deposits may not be returned. Rock Island County Regional Office of Education No. 49 does not have a deposit policy for custodial credit risk. Rock Island County Regional Office of Education No. 49's deposits were covered by FDIC insurance of \$250,000 at June 30, 2018 and additionally covered by collateral held by the financial institution in Rock Island County Regional Office of Education No. 49's name.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Investments

The Regional Office of Education No. 49 does not have a formal investment policy. However, the Regional Office of Education No. 49 is authorized under the State of Illinois Public Funds Investment Act to invest in various financial instruments including Illinois Funds. At June 30, 2018 the Regional Office of Education No. 49 had investments with carrying and fair values of \$3,110 invested in the Illinois Funds Money Market Fund. This amount is included in the institute fund as cash and cash equivalents.

Credit Risk - At June 30, 2018, 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 is as follows:

	<u>Carrying Amount</u>
Cash and cash equivalents - Governmental Activities:	
Bank Deposits	\$ 337,826
Cash and cash equivalents - Governmental Activities:	
Illinois Funds	3,110
Cash and cash equivalents - Business-type Activities	<u>505,064</u>
Total Statement of Net Position	<u>\$ 846,000</u>
Cash and cash equivalents - Fiduciary Activities:	
Bank Deposits	<u>\$ 11,100</u>
Total Statement of Fiduciary Net Position	<u>\$ 11,100</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 - DUE FROM/TO OTHER GOVERNMENTS

Amounts due from/to other governments as of June 30, 2018 are as follows:

Due From Other Governments

Education Fund		
Local governments	\$	35,121
Illinois State Board of Education		460,734
Other Nonmajor Funds		
Local governments		180
Proprietary Fund		
Local governments		24,078
Fiduciary Fund		
Local governments		<u>3,062,625</u>
Total		<u>\$ 3,582,738</u>

Due To Other Governments

Education Fund		
Local governments	\$	206,146
Fiduciary Fund		
Local governments		<u>3,062,625</u>
Total		<u>\$ 3,268,771</u>

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2018 is as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Governmental activities:				
Capital assets being depreciated:				
Furniture and equipment	\$ 169,739	\$ 21,883	\$ (30,591)	\$ 161,031
Accumulated depreciation	<u>(124,816)</u>	<u>(18,681)</u>	<u>29,838</u>	<u>(113,659)</u>
Governmental activities capital assets, net	<u>\$ 44,923</u>	<u>\$ 3,202</u>	<u>\$ (753)</u>	<u>\$ 47,372</u>
Business-type activities:				
Capital assets being depreciated:				
Furniture and equipment	\$ 27,997	\$ -	\$ -	\$ 27,997
Accumulated depreciation	<u>(24,113)</u>	<u>(1,029)</u>	<u>-</u>	<u>(25,142)</u>
Business-type activities capital assets, net	<u>\$ 3,884</u>	<u>\$ (1,029)</u>	<u>\$ -</u>	<u>\$ 2,855</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged as follows:

Governmental activities:	
Instructional services:	
Depreciation expense	<u>\$ 18,681</u>
Business-type activities:	
Depreciation expense	<u>\$ 1,029</u>

NOTE 5 - RETIREMENT FUND COMMITMENTS

Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan description

Rock Island County Regional Office of Education No. 49 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 nonannuitants 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://trsil.org>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, 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 I 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.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

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 contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 49.

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, 2018, 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 \$368,073 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, 2018, were \$3,120 and are deferred because they were paid after the June 30, 2017 measurement date.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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 public act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, Regional Office of Education No. 49 contributions for employees paid from federal and special trust funds were at the same rate as the state contribution to TRS and were much higher.

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$14,120 were paid from federal and special trust funds that required employer contributions of \$2,689. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

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 program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the Regional Office of Education No. 49 paid no employer ERO contributions for retirements that occurred before July 1, 2016.

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, 2018 the Regional Office of Education No. 49 did not make any employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent or 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, 2018, 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 Regional Office of Education No. 49 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 Regional Office of Education No. 49 were as follows:

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Regional Office of Education No. 49's proportionate share of the net pension liability	\$ 212,222
State's proportionate share of the net pension liability associated with the Regional Office of Education No. 49	<u>3,740,006</u>
Total	<u>\$ 3,952,228</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The Regional Office of Education No. 49's proportion of the net pension liability was based on the Regional Office of Education No. 49's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2017, the Regional Office of Education No. 49's proportion was .0002777844 percent, which was an increase of .0000371328 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Regional Office of Education No. 49 recognized pension expense of \$368,073 and revenue of \$368,073 for support provided by the state. For the year ended June 30, 2018, the Regional Office of Education No. 49 recognized pension income of \$229,392. At June 30, 2018, the Regional Office of Education No. 49 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,305	\$ 98
Net difference between projected and actual earnings on pension plan investments	146	-
Change of assumptions	14,164	6,098
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,755	400,511
Employer contributions subsequent to the measurement date	5,809	-
Total	\$ 43,179	\$ 406,707

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - RETIREMENT FUND COMMITMENTS (CONTINUED)

\$5,809 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
June 30:	Amount
2019	\$ (246,846)
2020	(116,821)
2021	(6,400)
2022	198
2023	532
Total	<u>\$ (369,337)</u>

Actuarial assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	14.40%	6.94%
U.S. equities small/mid cap	3.60%	8.09%
International equities developed	14.40%	7.46%
Emerging market equities	3.60%	10.15%
U.S. bonds core	10.70%	2.44%
International debt developed	5.30%	1.70%
Real estate	15.00%	5.44%
Commodities (real return)	11.00%	4.28%
Hedge funds (absolute return)	8.00%	4.16%
Private equity	14.00%	10.63%
Total	<u>100.00%</u>	

Discount rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 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 at June 30, 2017 was projected to be available to make all projected future benefit payments to 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. All projected future payments were covered, so 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.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - RETIREMENT FUND COMMITMENTS (CONTINUED)

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Regional Office of Education No. 49's proportionate share of the net pension liability	\$ 260,743	\$ 212,222	\$ 172,480

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Illinois Municipal Retirement System

IMRF Plan Description

Rock Island County 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.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries currently receiving benefits	8
Inactive plan members entitled to but not yet receiving benefits	24
Active plan members	16
Total	48

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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 2017 was 6.87%. For the calendar year ended 2017, the Regional Office of Education No. 49 contributed \$40,475 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, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- 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 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.2%, 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 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF-specific **Mortality** table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates 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-2017 (base year 2015). 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-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - RETIREMENT FUND COMMITMENTS (CONTINUED)

- 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 as of December 31, 2017:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Fixed Income	28.00%	3.00%
Real Estate	9.00%	5.75%
Alternatives	7.00%	
Private Equity	N/A	7.35%
Hedge Funds	N/A	5.05%
Commodities	N/A	2.65%
Cash Equivalents	1.00%	2.25%
Total	<u>100.00%</u>	

Single Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Changes in the Net Pension (Asset) Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) - (B)
Balances at December 31, 2016	\$ 1,638,153	\$ 1,553,582	\$ 84,571
Changes for the year:			
Service cost	65,121	-	65,121
Interest on the total pension liability	122,324	-	122,324
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(38,243)	-	(38,243)
Changes of assumptions	(47,216)	-	(47,216)
Contributions - employer	-	40,475	(40,475)
Contributions - employees	-	27,709	(27,709)
Net investment income	-	213,677	(213,677)
Benefit payments, including refunds	(82,512)	(82,512)	-
Other (net transfer)	-	(1,105)	1,105
Net changes	<u>19,474</u>	<u>198,244</u>	<u>(178,770)</u>
Balances at December 31, 2017	<u>\$ 1,657,627</u>	<u>\$ 1,751,826</u>	<u>\$ (94,199)</u>

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension (Asset) Liability	\$ 105,183	\$ (94,199)	\$ (259,095)

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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

For the year ended June 30, 2018, the Regional Office of Education No. 49 recognized pension expense of \$78,293. At June 30, 2018, the Regional Office of Education No. 49 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 43,745	\$ 26,835
Net difference between projected and actual earnings on pension plan investments	-	30,989
Change of assumptions	-	33,131
Employer contributions subsequent to the measurement date	26,255	-
Total	\$ 70,000	\$ 90,955

\$26,255 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset) liability in the reporting year ended June 30, 2019.

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

Year Ending December 31	Net Deferred Outflows/(Inflows) of Resources
2018	\$ 22,920
2019	(21,465)
2020	(28,652)
2021	(20,013)
Total	\$ (47,210)

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS

THIS Plan Description

The Regional Office of Education No. 49 participates in the Teachers' Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers' Retirement System (TRS).

Benefits Provided

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. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

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

On-behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 49. For the year ended June 30, 2018, 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 OPEB liability associated with the Regional Office of Education No. 49, and recognized revenues and expenditures of \$53,034 in OPEB contributions from the State of Illinois.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employer contributions to the THIS Fund

The Regional Office of Education No. 49 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.88 percent during the year ended June 30, 2018, and 0.84 and 0.80 percent during the years ended June 30, 2017 and 2016, respectively. For the year ended June 30, 2018, the Regional Office of Education No. 49 paid \$4,703 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2017 and 2016, the Regional Office of Education No. 49 paid \$4,238 and \$4,179 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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."

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 2.85 percent as of June 30, 2016, and 3.56 percent as of June 30, 2017.

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the discount rate.

The following presents the Regional Office of Education No. 49's proportionate share of the collective net OPEB liability, as well as what the Regional Office of Education No. 49's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	(2.56%)	(3.56%)	(4.56%)
Regional Office of Education No. 49's proportionate share of the collective net OPEB liability	\$ 682,886	\$ 569,120	\$ 478,007

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates.

The following table shows the Regional Office of Education No. 49's net OPEB liability as of June 30, 2017, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

	1% Decrease^a	Healthcare Cost Trend Rates	1% Increase^b
	(7.00%)	(8.00%)	(9.00%)
Regional Office of Education No. 49's proportionate share of the collective net OPEB liability	\$ 459,301	\$ 569,120	\$ 726,635

^a One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate rate of 4.09% in 2025 for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

^b One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the Regional Office of Education No. 49 reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 49. The amount recognized by the Regional Office of Education No. 49 as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Regional Office of Education No. 49 were as follows:

Regional Office of Education No. 49's proportionate share of the net OPEB liability	\$ 569,120
State's proportionate share of the net OPEB liability associated with the Regional Office of Education No. 49	747,385
Total	<u>\$ 1,316,505</u>

The collective net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2016 and was rolled forward to a June 30, 2017 measurement date. The Regional Office of Education No. 49's proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 49's long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 49, actuarially determined.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

At June 30, 2017, the Regional Office of Education No. 49's proportion was 0.002193 percent, which was a decrease of 0.000050 from its proportion measured as of June 30, 2016 (0.002243 percent). The State's support and total are for disclosure purposes only.

For the year ending June 30, 2018, the Regional Office of Education No. 49 recognized OPEB expense of \$53,034 and revenue of \$53,034 for support provided by the State. For the year ending June 30, 2018, the Regional Office of Education No. 49 recognized OPEB expense of \$35,740. At June 30, 2018, the Regional Office of Education No. 49 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 322
Net difference between projected and actual earnings on OPEB plan investments	-	6
Change of assumptions	-	67,761
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	12,112
Employer contributions subsequent to the measurement date	4,703	-
Total	\$ 4,703	\$ 80,201

\$4,703 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education No. 49 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education No. 49's OPEB expense as follows:

Year Ended June 30:	Net Deferred Outflows/(Inflows) of Resources
2019	\$ (12,320)
2020	(12,320)
2021	(12,320)
2022	(12,320)
2023	(12,320)
Thereafter	(18,601)
Total	\$ (80,201)

THIS Fund Fiduciary Net Position

Detailed information about the THIS' fiduciary net position as of June 30, 2017, is available in the separately issued THIS financial report.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 - LONG-TERM LIABILITIES

	<u>Balance June 30, 2017, as Restated</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>	<u>Amounts Due Within One Year</u>
Governmental activities					
Net Pension Liability - TRS	\$ 189,961	\$ 22,261	\$ -	\$ 212,222	\$ -
Net Pension Liability - IMRF	73,577	-	73,577	-	-
Net OPEB Liability - THIS	613,116	-	43,996	569,120	-
	<u>\$ 876,654</u>	<u>\$ 22,261</u>	<u>\$ 117,573</u>	<u>\$ 781,342</u>	<u>\$ -</u>
Business-type activities					
Net Pension Liability - IMRF	<u>\$ 10,994</u>	<u>\$ -</u>	<u>\$ 10,994</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 8 - 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	\$ 115,176
Regional Superintendent benefits (Includes State paid insurance)	34,596
Assistant Regional Superintendent salary	103,656
Assistant Regional Superintendent benefits (Includes State paid insurance)	22,194
County On-behalf payments	<u>54,493</u>
Total	<u>\$ 330,115</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 \$421,107 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 and Teachers' Health Insurance Security Fund OPEB 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 payments	\$ 330,115
Regional Office of Education No. 49's share of TRS pension expense	368,073
Regional Office of Education No. 49's share of THIS OPEB expense	<u>53,034</u>
Total	<u>\$ 751,222</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 9 - DUE FROM/TO FUNDS

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, as of June 30, 2018 were as follows:

	<u>Due From</u>	<u>Due To</u>
Education Fund		
Title IV - 21st Century John Deere Middle School	\$ -	\$ 67,462
Title IV - 21st Century Moline High School	-	41,363
Title IV - 21st Century Glenview Middle School	-	15,171
Title IV - 21st Century Hanson Elementary School	-	40,899
Early Childhood Cohort	-	2,590
Truants Alt. and Optional Education	-	8,812
McKinney Education for Homeless Children	-	9,997
RESPRO	-	19,727
Preschool Development	-	37,965
Regional Safe Schools Program	-	14,874
Teacher Quality Program	-	608
AdvancED	-	5,600
Workshops	<u>265,068</u>	-
Total	<u>\$ 265,068</u>	<u>\$ 265,068</u>

NOTE 10 - DEFICIT FUND BALANCES

At June 30, 2018, the following funds had deficit fund balances. They are expected to correct themselves in fiscal year 2019 through payments from other governments and local funds.

Education Fund	
Title IV - 21st Century John Deere Middle School	\$ (32,787)
Title IV - 21st Century Moline High School	(67,054)
Title IV - 21st Century Glenview Middle School	(11,700)
Title IV - 21st Century Hanson Elementary School	(8,835)
Early Childhood Cohort	(2,590)
Truants Alt. and Optional Education	(1,053)
Preschool Development	(1,163)
ROE Operations Fund	(390)
Regional Safe Schools Program	(74)
Total	<u>\$ (125,646)</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 - 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.

NOTE 12 - NEW PRONOUNCEMENTS

In 2018, the Rock Island County Regional Office of Education No. 49 implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*; GASB Statement No. 81, *Irrevocable Split-Interest Agreements*; GASB Statement No. 85, *Omnibus 2017*; and GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The Regional Office of Education No. 49 implemented these standards during the current year. The implementation of GASB Statement No. 75 establishes standards for measuring and recognizing OPEB liabilities, deferred outflows of resources, deferred inflows of resources, expenses, and expenditures and identifies the note disclosure and RSI reporting requirements. The implementation of GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance. The implementation of GASB Statement No. 85 addresses practice issues identified during the implementation and application of certain GASB statements such as issues related to blending component units, goodwill, fair value measurement and application and postemployment benefits. The implementation of GASB Statement No. 86 establishes uniform guidance for recognizing debt that is defeased in-substance, regardless of how cash and other monetary assets placed in an irrevocable trust for the purpose of extinguishing debt were acquired. The implementation of GASB Statement No. 75 resulted in a prior period restatement to net position. The implementation of GASB Statement No's. 81, 85 and 86 had no impact on the Rock Island County Regional Office of Education No. 49's financial statements.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 13 - REGIONAL OFFICE OF EDUCATION RESTATEMENT

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* was implemented during fiscal year 2018. The implementation of GASB Statement No. 75 establishes standards for measuring and recognizing OPEB liabilities, deferred outflows of resources, deferred inflows of resources, expenses, and expenditures and identifies the note disclosure and RSI reporting requirements. During the transition year, as permitted, beginning balances for deferred outflows of resources, and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net OPEB liability. Beginning net position for governmental activities was restated to retroactively report the beginning net OPEB liability and deferred outflows of resources related to contributions made after the measurement date.

Governmental Activities Net Position

Net position, July 1, 2017, as previously reported	\$ (516,793)
Net OPEB liability at July 1, 2017	(613,116)
Change in deferred outflows of resources related to contributions made after the June 30, 2016 measurement date	<u>4,238</u>
Net position, July 1, 2017, as restated	<u>\$ (1,125,671)</u>

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

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

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49**

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	.0002777844%	.0002406516%	.0003613125%	.0011529520%
Employer's proportionate share of the net pension liability	\$ 212,222	\$ 189,961	\$ 236,696	\$ 701,667
State's proportionate share of the net pension liability associated with the employer	<u>3,740,006</u>	<u>4,146,681</u>	<u>3,920,156</u>	<u>1,737,501</u>
Total	<u>\$ 3,952,228</u>	<u>\$ 4,336,642</u>	<u>\$ 4,156,852</u>	<u>\$ 2,439,168</u>
Employer's covered payroll	\$ 505,307	\$ 614,500	\$ 721,862	\$ 772,399
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	42.0%	30.9%	32.8%	90.8%
Plan fiduciary net position as a percentage of the total pension liability	39.3%	36.4%	41.5%	43.0%

* The amounts presented were determined as of the prior fiscal-year end.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily-required contribution	\$ 4,526	\$ 11,600	\$ 9,320	\$ 12,660	\$ 40,789
Contributions in relation to the statutorily-required contribution	<u>5,809</u>	<u>11,445</u>	<u>9,320</u>	<u>12,544</u>	<u>47,061</u>
Contribution deficiency (excess)	<u>\$ (1,283)</u>	<u>\$ 155</u>	<u>\$ -</u>	<u>\$ 116</u>	<u>\$ (6,272)</u>
Employer's covered payroll	\$ 534,420	\$ 505,307	\$ 614,500	\$ 721,862	\$ 772,399
Contributions as a percentage of covered payroll	1.09%	2.26%	1.52%	1.74%	6.09%

Notes to Required Supplementary Information

Changes of assumptions

For the 2017 and 2016 measurement year, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

The information in both schedules will accumulate until a full 10-year trend is presented as required by Statement No. 68.

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF CHANGES IN THE NET
PENSION (ASSET) LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST FOUR CALENDAR YEARS**

Calendar year ended December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability				
Service cost	\$ 65,121	\$ 55,143	\$ 51,124	\$ 57,452
Interest on the total pension liability	122,324	106,062	97,973	89,658
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience				
of the total pension (asset) liability	(38,243)	127,125	27,470	(14,428)
Changes of assumptions	(47,216)	-	-	56,681
Benefit payments, including refunds of employee contributions	(82,512)	(70,463)	(70,992)	(81,191)
Net change in total pension liability	<u>19,474</u>	<u>217,867</u>	<u>105,575</u>	<u>108,172</u>
Total pension liability - beginning	<u>1,638,153</u>	<u>1,420,286</u>	<u>1,314,711</u>	<u>1,206,539</u>
Total pension liability - ending (A)	<u>\$ 1,657,627</u>	<u>\$ 1,638,153</u>	<u>\$ 1,420,286</u>	<u>\$ 1,314,711</u>
Plan fiduciary net position				
Contributions - employer	\$ 40,475	\$ 38,348	\$ 33,008	\$ 46,970
Contributions - employees	27,709	25,719	21,653	21,264
Net investment income	213,677	106,863	638	80,594
Benefit payments, including refunds of employee contributions	(82,512)	(70,463)	(70,992)	(81,191)
Other (net transfer)	(1,105)	(1,482)	(89)	(1,063)
Net change in plan fiduciary net position	<u>198,244</u>	<u>98,985</u>	<u>(15,782)</u>	<u>66,574</u>
Plan fiduciary net position - beginning	<u>1,553,582</u>	<u>1,454,597</u>	<u>1,470,379</u>	<u>1,403,805</u>
Plan fiduciary net position - ending (B)	<u>\$ 1,751,826</u>	<u>\$ 1,553,582</u>	<u>\$ 1,454,597</u>	<u>\$ 1,470,379</u>
Net pension (asset) liability - ending (A) - (B)	<u>\$ (94,199)</u>	<u>\$ 84,571</u>	<u>\$ (34,311)</u>	<u>\$ (155,668)</u>
Plan fiduciary net position as a percentage of the total pension liability	105.68%	94.84%	102.42%	111.84%
Covered payroll	\$ 589,150	\$ 571,524	\$ 481,174	\$ 472,536
Net pension (asset) liability as a percentage of covered payroll	-15.99%	14.80%	-7.13%	-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
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST FOUR CALENDAR YEARS**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2017	\$ 40,475	\$ 40,475	\$ -	\$ 589,150	6.87%
2016	38,349	38,348	1	571,524	6.71%
2015	33,009	33,008	1	481,174	6.86%
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 2017 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2017 Contribution Rates:

Actuarial Cost Method: Aggregate entry age = normal
Amortization Method: Level percentage of payroll, closed
Remaining Amortization Period: 26-year closed period
Asset Valuation Method: 5-year smoothed market; 20% corridor
Wage Growth: 3.50%
Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases: 3.75% to 14.50%, 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 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality: For non-disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates 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 2012). 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2015, actuarial valuation; note two-year lag between valuation and rate setting.

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

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49**

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE COLLECTIVE NET OPEB LIABILITY
TEACHERS' HEALTH INSURANCE SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2018***

	<u>2017</u>	<u>2016</u>
Employer's proportion of the collective net OPEB liability	.002193%	.002243%
Employer's proportionate share of the collective net OPEB liability	\$ 569,120	\$ 613,116
State's proportionate share of the collective net OPEB liability associated with the employer	<u>747,385</u>	<u>850,092</u>
Total	<u>\$ 1,316,505</u>	<u>\$ 1,463,208</u>
Employer's covered payroll	\$ 505,307	\$ 614,500
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	112.6%	99.8%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%	-0.22%

* The amounts presented were determined as of the prior fiscal-year end.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' HEALTH INSURANCE SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily-required contribution	\$ 4,703	\$ 4,245	\$ 4,179
Contributions in relation to the statutorily-required contribution	<u>4,703</u>	<u>4,238</u>	<u>4,179</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ -</u>
Employer's covered payroll	\$ 534,420	\$ 505,307	\$ 614,500
Contributions as a percentage of covered payroll	0.88%	0.84%	0.68%

The information in both schedules will accumulate until a full 10-year trend is presented as required by Statement No. 75.

SUPPLEMENTARY INFORMATION

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2018

	<u>General State Aid</u>	<u>General Fund</u>	<u>Total</u>
ASSETS			
None	\$ -	\$ -	\$ -
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES			
None	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
FUND BALANCE			
None	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
Year Ended June 30, 2018

	<u>General State Aid</u>	<u>General Fund</u>	<u>Totals</u>
REVENUES:			
State sources	\$ 97,645	\$ -	\$ 97,645
On-behalf payments	-	330,115	330,115
Total revenues	97,645	330,115	427,760
EXPENDITURES:			
Administrative:			
On-behalf payments	-	330,115	330,115
Intergovernmental:			
Payments to other governments	97,645	-	97,645
Total expenditures	97,645	330,115	427,760
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2018

	Title IV - 21st Century John Deere Middle School	Title IV - 21st Century Moline High School	Title IV - 21st Century Glenview Middle School	Title IV - 21st Century Hanson Elementary School	Early Childhood Ages 0-3	Early Childhood Ages 3-5	Early Childhood Cohort
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 89,420	\$ 30,582	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	99,983	108,128	36,925	103,027	-	48,558	-
Total assets	99,983	108,128	36,925	103,027	89,420	79,140	-
DEFERRED OUTFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 99,983	\$ 108,128	\$ 36,925	\$ 103,027	\$ 89,420	\$ 79,140	\$ -
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 25,737	\$ 33,860	\$ -
Accrued expenses	267	291	-	-	4,860	22,302	-
Due to other governments	32,521	66,765	21,754	62,128	-	22,978	-
Due to other funds	67,462	41,363	15,171	40,899	-	-	2,590
Unearned revenue	-	-	-	-	58,823	-	-
Total liabilities	100,250	108,419	36,925	103,027	89,420	79,140	2,590
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	32,520	66,763	11,700	8,835	-	-	-
FUND BALANCE (DEFICIT)							
Unassigned	(32,787)	(67,054)	(11,700)	(8,835)	-	-	(2,590)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 99,983	\$ 108,128	\$ 36,925	\$ 103,027	\$ 89,420	\$ 79,140	\$ -

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2018

	Truants Alt. and Optional Education	McKinney Education for Homeless Children	RESPRO	Partnerships to Improve Community Health	Preschool Development	ROE Operations Fund	Regional Safe Schools Program
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,606	\$ -
Accounts receivable	-	-	11,778	-	-	-	-
Due from other governments	11,453	9,997	17,574	-	39,128	-	14,874
Total assets	11,453	9,997	29,352	-	39,128	39,606	14,874
DEFERRED OUTFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 11,453	\$ 9,997	\$ 29,352	\$ -	\$ 39,128	\$ 39,606	\$ 14,874
LIABILITIES							
Accounts payable	\$ 2,641	\$ -	\$ -	\$ -	\$ 1,163	\$ 15,375	\$ -
Accrued expenses	-	-	9,625	-	-	390	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	8,812	9,997	19,727	-	37,965	-	14,874
Unearned revenue	-	-	-	-	-	24,231	-
Total liabilities	11,453	9,997	29,352	-	39,128	39,996	14,874
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	1,053	-	-	-	1,163	-	74
FUND BALANCE (DEFICIT)							
Unassigned	(1,053)	-	-	-	(1,163)	(390)	(74)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 11,453	\$ 9,997	\$ 29,352	\$ -	\$ 39,128	\$ 39,606	\$ 14,874

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2018

	<u>Teacher Quality Program</u>	<u>School Wellness</u>	<u>Nutrition Curriculum</u>	<u>AdvancED</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 2,916	\$ -	\$ 162,524
Accounts receivable	-	-	-	-	11,778
Due from other governments	<u>608</u>	<u>-</u>	<u>-</u>	<u>5,600</u>	<u>495,855</u>
Total assets	608	-	2,916	5,600	670,157
DEFERRED OUTFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 608</u>	<u>\$ -</u>	<u>\$ 2,916</u>	<u>\$ 5,600</u>	<u>\$ 670,157</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 78,776
Accrued expenses	-	-	-	-	37,735
Due to other governments	-	-	-	-	206,146
Due to other funds	608	-	-	5,600	265,068
Unearned revenue	<u>-</u>	<u>-</u>	<u>2,916</u>	<u>-</u>	<u>85,970</u>
Total liabilities	608	-	2,916	5,600	673,695
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,108</u>
FUND BALANCE (DEFICIT)					
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125,646)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 608</u>	<u>\$ -</u>	<u>\$ 2,916</u>	<u>\$ 5,600</u>	<u>\$ 670,157</u>

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

	Title IV - 21st Century John Deere Middle School	Title IV - 21st Century Moline High School	Title IV - 21st Century Glenview Middle School	Title IV - 21st Century Hanson Elementary School	Early Childhood Ages 0-3	Early Childhood Ages 3-5	Early Childhood Cohort
REVENUES:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,947
State sources	-	-	-	-	614,305	1,913,554	-
Federal sources	69,803	57,759	109,165	130,951	-	-	-
Total revenues	<u>69,803</u>	<u>57,759</u>	<u>109,165</u>	<u>130,951</u>	<u>614,305</u>	<u>1,913,554</u>	<u>1,947</u>
EXPENDITURES:							
Instructional services:							
Salaries	6,842	3,807	2,832	3,598	267,577	598,969	-
Benefits	904	267	192	251	18,573	20,633	-
Pension expense	-	46	46	46	21,434	9,511	-
Purchased services	473	430	516	823	269,045	1,172,962	-
Supplies and materials	123	90	-	50	35,296	3,591	-
Intergovernmental:							
Payment to other governments	94,248	120,172	100,914	104,421	-	107,888	-
Capital outlay	-	-	-	-	2,380	-	-
Total expenditures	<u>102,590</u>	<u>124,812</u>	<u>104,500</u>	<u>109,189</u>	<u>614,305</u>	<u>1,913,554</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(32,787)	(67,053)	4,665	21,762	-	-	1,947
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	-	(1)	(16,365)	(30,597)	-	-	(4,537)
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (32,787)</u>	<u>\$ (67,054)</u>	<u>\$ (11,700)</u>	<u>\$ (8,835)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,590)</u>

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

	Truants Alt. and Optional Education	McKinney Education for Homeless Children	RESPRO	Partnerships to Improve Community Health	Preschool Development	ROE Operations Fund	Regional Safe Schools Program	Teacher Quality Program
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	88,239	-	-	-	-	109,492	120,563	-
Federal sources	-	38,417	72,542	8,420	146,587	-	-	2,008
Total revenues	<u>88,239</u>	<u>38,417</u>	<u>72,542</u>	<u>8,420</u>	<u>146,587</u>	<u>109,492</u>	<u>120,563</u>	<u>2,008</u>
EXPENDITURES:								
Instructional services:								
Salaries	39,272	15,392	42,073	6,842	22,464	34,370	24,803	-
Benefits	2,110	1,174	3,038	433	-	2,660	2,779	-
Pension expense	3,732	1,402	536	548	4,594	604	1,454	-
Purchased services	10,287	8,578	26,181	259	5,018	36,664	1,514	2,008
Supplies and materials	2,852	448	714	338	1,124	15,480	149	-
Intergovernmental:								
Payment to other governments	-	-	-	-	113,853	-	50,802	-
Capital outlay	-	-	-	-	-	20,103	-	-
Total expenditures	<u>58,253</u>	<u>26,994</u>	<u>72,542</u>	<u>8,420</u>	<u>147,053</u>	<u>109,881</u>	<u>81,501</u>	<u>2,008</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	29,986	11,423	-	-	(466)	(389)	39,062	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(31,039)	(11,423)	-	-	(697)	(1)	(39,136)	-
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (1,053)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,163)</u>	<u>\$ (390)</u>	<u>\$ (74)</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
Year Ended June 30, 2018

	<u>School Wellness</u>	<u>Nutrition Curriculum</u>	<u>AdvancED</u>	<u>Totals</u>
REVENUES:				
Local sources	\$ 19,547	\$ 34,825	\$ -	\$ 56,319
State sources	-	-	-	2,846,153
Federal sources	-	-	<u>5,600</u>	<u>641,252</u>
Total revenues	<u>19,547</u>	<u>34,825</u>	<u>5,600</u>	<u>3,543,724</u>
EXPENDITURES:				
Instructional services:				
Salaries	4,790	-	-	1,073,631
Benefits	303	-	-	53,317
Pension expense	384	-	-	44,337
Purchased services	14,070	-	5,600	1,554,428
Supplies and materials	-	34,825	-	95,080
Intergovernmental:				
Payment to other governments	-	-	-	692,298
Capital outlay	-	-	-	<u>22,483</u>
Total expenditures	<u>19,547</u>	<u>34,825</u>	<u>5,600</u>	<u>3,535,574</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-	8,150
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	-	-	-	<u>(133,796)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (125,646)</u>

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

	Title IV - 21st Century John Deere Middle School				Title IV - 21st Century Moline High School			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	135,000	135,000	69,803	(65,197)	135,000	135,000	57,759	(77,241)
Total revenues	135,000	135,000	69,803	(65,197)	135,000	135,000	57,759	(77,241)
EXPENDITURES:								
Instructional services:								
Salaries	6,669	6,669	6,842	(173)	6,669	6,669	3,807	2,862
Benefits	761	761	904	(143)	760	760	267	493
Pension expense	-	-	-	-	-	-	46	(46)
Purchased services	4,822	4,822	473	4,349	4,822	4,822	430	4,392
Supplies and materials	1,248	1,248	123	1,125	1,249	1,249	90	1,159
Intergovernmental:								
Payments to other governments	121,500	121,500	94,248	27,252	121,500	121,500	120,172	1,328
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	135,000	135,000	102,590	32,410	135,000	135,000	124,812	10,188
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	(32,787)	\$ (32,787)	\$ -	\$ -	(67,053)	\$ (67,053)
NET CHANGE IN FUND BALANCE			(32,787)				(67,053)	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			-				(1)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ (32,787)				\$ (67,054)	

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

	Title IV - 21st Century Glenview Middle School				Title IV - 21st Century Hanson Elementary School			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	135,000	135,000	109,165	(25,835)	138,000	138,000	130,951	(7,049)
Total revenues	135,000	135,000	109,165	(25,835)	138,000	138,000	130,951	(7,049)
EXPENDITURES:								
Instructional services:								
Salaries	6,669	6,669	2,832	3,837	6,669	6,669	3,598	3,071
Benefits	760	760	192	568	761	761	251	510
Pension expense	-	-	46	(46)	-	-	46	(46)
Purchased services	4,822	4,822	516	4,306	4,822	4,822	823	3,999
Supplies and materials	1,249	1,249	-	1,249	1,748	1,748	50	1,698
Intergovernmental:								
Payments to other governments	121,500	121,500	100,914	20,586	124,000	124,000	104,421	19,579
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	135,000	135,000	104,500	30,500	138,000	138,000	109,189	28,811
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	4,665	\$ 4,665	\$ -	\$ -	21,762	\$ 21,762
NET CHANGE IN FUND BALANCE			4,665				21,762	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(16,365)				(30,597)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ (11,700)				\$ (8,835)	

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

	Early Childhood Ages 0-3				Early Childhood Ages 3-5			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	593,302	613,402	614,305	903	1,859,400	1,859,400	1,913,554	54,154
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>593,302</u>	<u>613,402</u>	<u>614,305</u>	<u>903</u>	<u>1,859,400</u>	<u>1,859,400</u>	<u>1,913,554</u>	<u>54,154</u>
EXPENDITURES:								
Instructional services:								
Salaries	281,544	266,944	267,577	(633)	772,265	652,824	598,969	53,855
Benefits	42,661	45,661	18,573	27,088	40,612	35,917	20,633	15,284
Pension expense	-	-	21,434	(21,434)	-	-	9,511	(9,511)
Purchased services	254,357	271,362	269,045	2,317	921,058	938,006	1,172,962	(234,956)
Supplies and materials	14,740	29,435	35,296	(5,861)	19,041	114,841	3,591	111,250
Intergovernmental:								
Payments to other governments	-	-	-	-	106,424	117,812	107,888	9,924
Capital outlay	-	-	2,380	(2,380)	-	-	-	-
Total expenditures	<u>593,302</u>	<u>613,402</u>	<u>614,305</u>	<u>(903)</u>	<u>1,859,400</u>	<u>1,859,400</u>	<u>1,913,554</u>	<u>(54,154)</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE				-				-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR				-				-
FUND BALANCE (DEFICIT), END OF YEAR				<u>\$ -</u>				<u>\$ -</u>

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

	Truants Alt. and Optional Education				McKinney Education for Homeless Children			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	62,071	62,071	88,239	26,168	-	-	-	-
Federal sources	-	-	-	-	19,588	27,000	38,417	11,417
Total revenues	<u>62,071</u>	<u>62,071</u>	<u>88,239</u>	<u>26,168</u>	<u>19,588</u>	<u>27,000</u>	<u>38,417</u>	<u>11,417</u>
EXPENDITURES:								
Instructional services:								
Salaries	47,500	40,454	39,272	1,182	13,238	13,238	15,392	(2,154)
Benefits	8,117	6,914	2,110	4,804	2,262	2,262	1,174	1,088
Pension expense	-	-	3,732	(3,732)	-	-	1,402	(1,402)
Purchased services	4,901	10,701	10,287	414	3,628	11,040	8,578	2,462
Supplies and materials	1,553	4,002	2,852	1,150	460	460	448	12
Intergovernmental:								
Payments to other governments	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>62,071</u>	<u>62,071</u>	<u>58,253</u>	<u>3,818</u>	<u>19,588</u>	<u>27,000</u>	<u>26,994</u>	<u>6</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>29,986</u>	<u>\$ 29,986</u>	<u>\$ -</u>	<u>\$ -</u>	<u>11,423</u>	<u>\$ 11,423</u>
NET CHANGE IN FUND BALANCE			<u>29,986</u>				<u>11,423</u>	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(31,039)</u>				<u>(11,423)</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (1,053)</u>				<u>\$ -</u>	

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

	Preschool Development				ROE Operations Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	120,161	129,300	109,492	(19,808)
Federal sources	278,913	160,938	146,587	(14,351)	-	-	-	-
Total revenues	278,913	160,938	146,587	(14,351)	120,161	129,300	109,492	(19,808)
EXPENDITURES:								
Instructional services:								
Salaries	54,988	24,988	22,464	2,524	93,808	38,808	34,370	4,438
Benefits	17,131	3,761	-	3,761	3,774	2,976	2,660	316
Pension expense	-	-	4,594	(4,594)	-	-	604	(604)
Purchased services	6,524	6,524	5,018	1,506	18,854	36,791	36,664	127
Supplies and materials	5,000	10,000	1,124	8,876	3,725	21,725	15,480	6,245
Intergovernmental:								
Payments to other governments	195,270	114,165	113,853	312	-	-	-	-
Capital outlay	-	1,500	-	1,500	-	29,000	20,103	8,897
Total expenditures	278,913	160,938	147,053	13,885	120,161	129,300	109,881	19,419
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	(466)	\$ (466)	\$ -	\$ -	(389)	\$ (389)
NET CHANGE IN FUND BALANCE			(466)				(389)	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(697)				(1)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ (1,163)				\$ (390)	

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

	Regional Safe Schools Program				Teacher Quality Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	87,834	87,834	120,563	32,729	-	-	-	-
Federal sources	-	-	-	-	2,048	2,048	2,008	(40)
Total revenues	<u>87,834</u>	<u>87,834</u>	<u>120,563</u>	<u>32,729</u>	<u>2,048</u>	<u>2,048</u>	<u>2,008</u>	<u>(40)</u>
EXPENDITURES:								
Instructional services:								
Salaries	25,056	25,056	24,803	253	-	-	-	-
Benefits	4,283	4,283	2,779	1,504	-	-	-	-
Pension expense	-	-	1,454	(1,454)	-	-	-	-
Purchased services	7,051	7,051	1,514	5,537	2,048	2,048	2,008	40
Supplies and materials	642	642	149	493	-	-	-	-
Intergovernmental:								
Payments to other governments	50,802	50,802	50,802	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>87,834</u>	<u>87,834</u>	<u>81,501</u>	<u>6,333</u>	<u>2,048</u>	<u>2,048</u>	<u>2,008</u>	<u>40</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>39,062</u>	<u>\$ 39,062</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE			<u>39,062</u>				<u>-</u>	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(39,136)</u>				<u>-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (74)</u>				<u>\$ -</u>	

ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2018

	AdvancED			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	7,500	7,500	5,600	(1,900)
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>5,600</u>	<u>(1,900)</u>
EXPENDITURES:				
Instructional services:				
Salaries	-	-	-	-
Benefits	-	-	-	-
Pension expense	-	-	-	-
Purchased services	7,500	7,500	5,600	1,900
Supplies and materials	-	-	-	-
Intergovernmental:				
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>5,600</u>	<u>1,900</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
NET CHANGE IN FUND BALANCE			-	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			-	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -</u>	

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2018**

	<u>General Education Development</u>	<u>School Bus Driver Training</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 6,785	\$ 7,693	\$ 14,478
Accounts receivable	-	550	550
Due from other governments	-	180	180
Total assets	<u>6,785</u>	<u>8,423</u>	<u>15,208</u>
DEFERRED OUTFLOWS OF RESOURCES			
None	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 6,785</u>	<u>\$ 8,423</u>	<u>\$ 15,208</u>
LIABILITIES			
None	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
FUND BALANCE			
Restricted	<u>6,785</u>	<u>8,423</u>	<u>15,208</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 6,785</u>	<u>\$ 8,423</u>	<u>\$ 15,208</u>

**ROCK ISLAND COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 Year Ended June 30, 2018**

	<u>General Education Development</u>	<u>School Bus Driver Training</u>	<u>Totals</u>
REVENUES:			
Local sources	\$ 2,381	\$ 3,040	\$ 5,421
State sources	<u>-</u>	<u>1,244</u>	<u>1,244</u>
Total revenues	<u>2,381</u>	<u>4,284</u>	<u>6,665</u>
EXPENDITURES:			
Instructional services:			
Salaries	1,877	-	1,877
Benefits	141	-	141
Pension expense	143	-	143
Purchased services	1,854	2,557	4,411
Supplies and materials	<u>-</u>	<u>405</u>	<u>405</u>
Total expenditures	<u>4,015</u>	<u>2,962</u>	<u>6,977</u>
NET CHANGE IN FUND BALANCE	(1,634)	1,322	(312)
FUND BALANCE, BEGINNING OF YEAR	<u>8,419</u>	<u>7,101</u>	<u>15,520</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,785</u>	<u>\$ 8,423</u>	<u>\$ 15,208</u>

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2018**

	Cafeteria Fund	School Facility Occupation Tax	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 11,100	\$ -	\$ 11,100
Due from other governments	<u>-</u>	<u>3,062,625</u>	<u>3,062,625</u>
TOTAL ASSETS	<u>\$ 11,100</u>	<u>\$ 3,062,625</u>	<u>\$ 3,073,725</u>
LIABILITIES			
Due to other governments	\$ -	\$ 3,062,625	\$ 3,062,625
Due to plan participants	<u>11,100</u>	<u>-</u>	<u>11,100</u>
TOTAL LIABILITIES	<u>\$ 11,100</u>	<u>\$ 3,062,625</u>	<u>\$ 3,073,725</u>

**ROCK ISLAND COUNTY
REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2018**

	<u>Balance, June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2018</u>
CAFETERIA PLAN				
ASSETS				
Cash and cash equivalents	\$ 11,167	\$ 21,086	\$ 21,153	\$ 11,100
LIABILITIES				
Due to plan participants	\$ 11,167	\$ 21,086	\$ 21,153	\$ 11,100
SCHOOL FACILITY OCCUPATION TAX				
ASSETS				
Cash	\$ -	\$ 8,544,652	\$ 8,544,652	\$ -
Due from other governments	-	3,062,625	-	3,062,625
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 11,607,277</u>	<u>\$ 8,544,652</u>	<u>\$ 3,062,625</u>
LIABILITIES				
Due to other governments	\$ -	\$ 11,607,277	\$ 8,544,652	\$ 3,062,625
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 11,167	\$ 8,565,738	\$ 8,565,805	\$ 11,100
Due from other governments	-	3,062,625	-	3,062,625
TOTAL ASSETS	<u>\$ 11,167</u>	<u>\$ 11,628,363</u>	<u>\$ 8,565,805</u>	<u>\$ 3,073,725</u>
LIABILITIES				
Due to other governments	\$ -	\$ 11,607,277	\$ 8,544,652	\$ 3,062,625
Due to plan participants	11,167	21,086	21,153	11,100
TOTAL LIABILITIES	<u>\$ 11,167</u>	<u>\$ 11,628,363</u>	<u>\$ 8,565,805</u>	<u>\$ 3,073,725</u>

ROCK ISLAND COUNTY
 REGIONAL OFFICE OF EDUCATION NO. 49
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
 TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 Year Ended June 30, 2018

Program	Carbon Cliff- Barstow School District #36	Orion School District #223	United Township School District #30	Silvis School District #34	Sherrard Community Unit School District #200	Rockridge School District #300	Riverdale Community Unit School District #100	Moline - Coal Valley School District #404	Mercy County School District #29	Hampton School District #9	Erie Community Unit School District #1	East Moline School District #37	Colona School District #190	Rock Island School District #41	Total
School Facility Occupation Tax	\$ 110,662	\$ 20,000	\$ 592,284	\$ 251,586	\$ 139,370	\$ 418,888	\$ 457,463	\$ 2,838,457	\$ 4,546	\$ 91,705	\$ 9,352	\$ 1,071,308	\$ 1,559	\$ 2,537,472	\$ 8,544,652