

STATE OF ILLINOIS
WHITESIDE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 55
FINANCIAL AUDIT
For the Year Ended June 30, 2015

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

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WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

OFFICIALS

Regional Superintendent
(During the Audit Period)

Mr. Robert Sondgeroth

Assistant Regional Superintendent
(During the Audit Period)

Mr. Chris Palmer

Office is located at:

1001 West 23rd Street
Sterling, Illinois 61081

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

Details of audit findings are presented 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)

2015-001	11	Controls Over Financial Statement Preparation	Material Weakness
2015-002	13	Inadequate Controls Over Procurement-Card Transactions	Significant Deficiency

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

2014-002	17	Controls Over Cash Reconciliations	Material Weakness
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WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

FINANCIAL REPORT SUMMARY (CONTINUED)

EXIT CONFERENCE

Whiteside County Regional Office of Education No. 55 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2015. Throughout the audit, numerous meetings were held between auditors and Regional Office officials to discuss matters contained in this audit report. Responses to the recommendations were provided by Whiteside County Regional Office of Education, on February 10, 2016.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of Whiteside County Regional Office of Education No. 55 was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed an unmodified opinion on Whiteside County Regional Office of Education No. 55's basic financial statements.

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whiteside County Regional Office of Education No. 55, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Whiteside County Regional Office of Education No. 55's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whiteside County Regional Office of

Education No. 55, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 17, Whiteside County Regional Office of Education No. 55 adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

As discussed in Note 18, Whiteside County Regional Office of Education No. 55 has disbanded as of July 1, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund - Schedule of Changes in the Net Pension Asset and Related Ratios, Illinois Municipal Retirement Fund - Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois - Schedule of the Employer's Proportionate Share of the Net Pension Liability, and Teachers' Retirement System of the State of Illinois - Schedule of Employer Contributions on pages 19 through 32 and 76 through 78 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 Whiteside County Regional Office of Education No. 55's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities 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 combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2016 on our consideration of Whiteside County Regional Office of Education No. 55's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Whiteside County Regional Office of Education No. 55's internal control over financial reporting and compliance.

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
March 2, 2016



**Winkel, Parker
& Foster, CPA PC**

Certified Public Accountants & Consultants

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whiteside County Regional Office of Education No. 55, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Whiteside County Regional Office of Education No. 55's basic financial statements, and have issued our report thereon dated March 2, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Whiteside County Regional Office of Education No. 55'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 Whiteside County Regional Office of Education No. 55's internal control. Accordingly, we do not express an opinion on the effectiveness of Whiteside County Regional Office of Education No. 55's internal control.

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2015-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Whiteside County Regional Office of Education No. 55's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Regional Office of Education No. 55's Responses to Findings

Whiteside County Regional Office of Education No. 55's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Whiteside County Regional Office of Education No. 55's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Whiteside County Regional Office of Education No. 55's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Whiteside County Regional Office of Education No. 55's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
March 2, 2016

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

Section I: Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: _____ Unmodified _____

Internal control over financial reporting:

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

Noncompliance material to
financial statements noted?

<u> </u>	yes	<u> x </u>	no
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WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

Section II: Financial Statement Findings:

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

Criteria/Specific Requirement:

Whiteside County Regional Office of Education No. 55 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The Regional Office of Education No. 55's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

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

Condition:

The Regional Office of Education No. 55 does not have sufficient internal controls over the financial reporting process. While the Regional Office of Education No. 55 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.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

Section II: Financial Statement Findings:

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

Condition (continued):

During review of the Regional Office of Education No. 55's financial information prepared by the Regional Office of Education No. 55, it was noted that the Regional Office of Education No. 55 did not have adequate controls to ensure financial statement balances were accurate. While the Regional Office of Education No. 55 did maintain records to indicate the balances of financial statement accounts, numerous material audit adjustments, including those required under GASB Statements No. 34, No. 68 and No. 71, were proposed in order to ensure those balances were accurate.

Effect:

The Regional Office of Education No. 55's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner.

Cause:

Management did not effectively detect all of the material adjustments, including those required under GASB Statements No. 34, No. 68 and No. 71, needed in order to present financial statements in accordance with GAAP.

Recommendation:

Since the Regional Office of Education No. 55 has been dissolved and its county merged into the Lee and Ogle Counties Regional Office of Education No. 47, Regional Office of Education No. 47 should implement comprehensive preparation procedures to ensure that the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office of Education No. 47 will continue to maintain its accounting records on the cash basis of accounting. At the present time, the additional cost to the Regional Office of hiring or contracting the services outweighs the benefits. If additional financial resources are made available through the County or State of Illinois, the Regional Office will consider seeking the services of an accountant to review the financial statements and related disclosures for completeness and accuracy.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

Section II: Financial Statement Findings:

FINDING 2015-002 - Inadequate Controls Over Procurement-Card Transactions

Criteria/Specific Requirement:

Whiteside County Regional Office of Education No. 55 is required to maintain a system of controls over disbursements to prevent errors, omissions and fraud.

Condition:

Internal controls over disbursements are not effectively designed and implemented. In 2 of 15 (13%) procurement-card (P-card) transactions tested auditors noted the Regional Superintendent approved his own purchases.

Effect:

The Regional Office of Education No. 55's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect and correct errors, omissions and/or fraud in a timely manner.

Cause:

Internal controls over the Regional Superintendent's P-card transactions are not effectively designed and implemented.

Recommendation:

Since the Regional Office of Education No. 55 has been dissolved and its county merged into the Lee and Ogle Counties Regional Office of Education No. 47, Regional Office of Education No. 47 should implement internal controls to be sure an appropriate review and approval process is in place that ensures all P-card transactions are reviewed by an employee other than the person incurring the expenditure to ensure the transaction is accurate and proper.

Management's Response:

The Regional Office of Education No. 47 has instituted a policy of the Regional Superintendent reviewing all P-card transactions, except his own, which are subsequently reviewed by the Assistant Regional Superintendent or the Office Manager.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

Section III: Federal Award Findings:

Not Applicable

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2015**

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

Condition:

The Regional Office of Education No. 55 does not have sufficient internal controls over the financial reporting process. While the Regional Office of Education No. 55 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education No. 55's financial information prepared by the Regional Office of Education No. 55, it was noted that the Regional Office of Education No. 55 did not have adequate controls to ensure financial statement balances were accurate. While the Regional Office of Education No. 55 did maintain records to indicate the balances of financial statement accounts, numerous material audit adjustments, including those required under GASB Statements No. 34, No. 68 and No. 71, were proposed in order to ensure those balances were accurate.

Plan:

The Regional Office of Education No. 47 will continue to maintain its accounting records on the cash basis of accounting. A closer review of the financial statements will be completed to prevent another occurrence of this finding. At the present time, the additional cost to the Regional Office of hiring or contracting the services outweighs the benefits. If additional financial resources are made available through the County or State of Illinois, the Regional Office will consider seeking the services of an accountant to review the financial statements and related disclosures for completeness and accuracy.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable Robert Sondgeroth, Regional Office of Education No. 47 Regional Superintendent

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2015**

FINDING 2015-002 - Inadequate Controls Over Procurement-Card Transactions

Condition:

Internal controls over disbursements are not effectively designed and implemented. In 2 of 15 (13%) procurement-card (P-card) transactions tested auditors noted the Regional Superintendent approved his own purchases.

Plan:

The Regional Office of Education No. 47 has instituted a policy of the Regional Superintendent reviewing all P-card transactions, except his own, which are subsequently reviewed by the Assistant Regional Superintendent or the Office Manager.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable Robert Sondgeroth, Regional Office of Education No. 47 Regional Superintendent

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2015

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2014-001	Controls Over Financial Statement Preparation	Repeated
2014-002	Controls Over Cash Reconciliations	Resolved

MANAGEMENT'S DISCUSSION AND ANALYSIS

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Whiteside County Regional Office of Education No. 55 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with Whiteside County Regional Office of Education No. 55's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

- The General Fund's fund balance increased slightly from \$285,638 in fiscal year 2014 to \$286,778 in fiscal year 2015 mostly due to an increase in tuition charged to the school districts for the Regional Safe School Program.
- The Institute Fund's fund balance increased from \$60,016 in 2014 to \$63,042 in 2015. The main reason for the increase is due to reduced expenditures due to the new licensure process in 2015.
- The Education Fund's fund balance increased from \$40,008 in 2014 to \$47,391 in 2015. The Education Fund is made up of grants that Whiteside County Regional Office of Education No. 55 receives and these can vary greatly from year to year as some programs have decreased funding or are discontinued while others see a funding increase.
- The Proprietary Funds' net position increased from \$27,226 in fiscal year 2014 to \$29,277 in fiscal year 2015 mostly due to having revenue in excess of expenses.
- Government-wide revenues increased by 1% from \$1,277,541 in fiscal year 2014 to \$1,285,022 in fiscal year 2015. Government-wide expenses decreased by approximately 5% from \$1,325,264 in fiscal year 2014 to \$1,265,307 in fiscal year 2015.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of Whiteside County Regional Office of Education No. 55'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 Whiteside County Regional Office of Education No. 55 as a whole and present an overall view of Whiteside County Regional Office of Education No. 55'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 Whiteside County Regional Office of Education No. 55's operations in more detail than the government-wide statements by providing information about the most significant funds.

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 Whiteside County Regional Office of Education No. 55's pension asset/liability, proportionate share of net pension liability and relating contributions.

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

Figure A-1 summarizes the major features of Whiteside County Regional Office of Education No. 55's financial statements, including the portion of Whiteside County Regional Office of Education No. 55's activities they cover and the types of information they contain.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

**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 Regional Office of Education No. 55 (except fiduciary funds)	The activities of Regional Office of Education No. 55 that are not proprietary or fiduciary, such as grants and statutory funds	Activities Regional Office of Education No. 55 operates similar to private businesses: workshops	Instances in which Regional Office of Education No. 55 administers resources on behalf of someone else, such as the distributive fund, the payroll fund, and the public aid 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 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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

**REPORTING WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55'S
FINANCIAL ACTIVITIES**

Government-wide Financial Statements

The government-wide financial statements report information about Whiteside County Regional Office of Education No. 55 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of Whiteside County Regional Office of Education No. 55'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 Whiteside County Regional Office of Education No. 55's net position and how it has changed. Net position - the net amount of Whiteside County Regional Office of Education No. 55's assets, deferred outflows of resources, liabilities, and deferred inflows of resources - is one way to measure Whiteside County Regional Office of Education No. 55's financial health or financial position. Over time, increases or decreases in Whiteside County Regional Office of Education No. 55's net position can be an indicator of whether financial position is improving or deteriorating. To assess Whiteside County Regional Office of Education No. 55's overall health, additional non-financial factors, such as changes in Whiteside County Regional Office of Education No. 55's grant funding and the condition of facilities need to be considered.

In the government-wide financial statements, Whiteside County Regional Office of Education No. 55's activities are divided into two categories:

- *Governmental activities:* Most of Whiteside County Regional Office of Education No. 55'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:* Whiteside County Regional Office of Education No. 55 charges fees to help cover the costs of certain services it provides.

Fund Financial Statements

The fund financial statements provide more detailed information about Whiteside County Regional Office of Education No. 55's funds, focusing on its most significant or "major" funds - not Whiteside County Regional Office of Education No. 55 as a whole. Funds are accounting devices Whiteside County Regional Office of Education No. 55 uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law. Whiteside County Regional Office of Education No. 55 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.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Whiteside County Regional Office of Education No. 55 has three kinds of funds:

1) *Governmental funds*: Most of Whiteside County Regional Office of Education No. 55'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 Whiteside County Regional Office of Education No. 55's programs.

Whiteside County Regional Office of Education No. 55'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 Whiteside County Regional Office of Education No. 55 charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. Whiteside County Regional Office of Education No. 55's Enterprise Funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

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*: Whiteside County Regional Office of Education No. 55 is the trustee for assets that belong to others. These funds include the Agency Funds.

- Agency Funds - These are funds through which Whiteside County Regional Office of Education No. 55 administers and accounts for certain federal and/or state grants on behalf of others.

Whiteside County Regional Office of Education No. 55 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. Whiteside County Regional Office of Education No. 55 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 is a Statement of Fiduciary Net Position.

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of Whiteside County Regional Office of Education No. 55, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$278,498 as of June 30, 2015.

A portion of Whiteside County Regional Office of Education No. 55's net position (11%) reflects its net investment in capital assets (e.g., buildings, furniture, and equipment). Although Whiteside County Regional Office of Education No. 55'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.

Whiteside County Regional Office of Education No. 55'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 Whiteside County Regional Office of Education No. 55's net position for the fiscal years ended June 30, 2015 and 2014.

2015

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current assets	\$ 438,594	\$ 29,277	\$ 467,871
Non-current assets	54,520	-	54,520
Total assets	<u>493,114</u>	<u>29,277</u>	<u>522,391</u>
Deferred outflows of resources	<u>98,771</u>	<u>-</u>	<u>98,771</u>
Current liabilities	24,039	-	24,039
Non-current liabilities	<u>267,843</u>	<u>-</u>	<u>267,843</u>
Total liabilities	<u>291,882</u>	<u>-</u>	<u>291,882</u>
Deferred inflows of resources	<u>50,782</u>	<u>-</u>	<u>50,782</u>
Net position			
Net investment in capital assets	30,420	-	30,420
Unrestricted	70,350	29,277	99,627
Restricted - other	<u>148,451</u>	<u>-</u>	<u>148,451</u>
Total net position	<u>\$ 249,221</u>	<u>\$ 29,277</u>	<u>\$ 278,498</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

<u>2014 (not restated)</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
Current assets	\$ 435,511	\$ 27,226	\$ 462,737
Capital assets, net of accumulated depreciation	<u>35,284</u>	<u>-</u>	<u>35,284</u>
Total assets	<u>470,795</u>	<u>27,226</u>	<u>498,021</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Current liabilities	<u>34,366</u>	<u>-</u>	<u>34,366</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Net position			
Net investment in capital assets	34,001	-	34,001
Unrestricted	285,638	27,226	312,864
Restricted - other	<u>116,790</u>	<u>-</u>	<u>116,790</u>
Total net position	<u>\$ 436,429</u>	<u>\$ 27,226</u>	<u>\$ 463,655</u>

Whiteside County Regional Office of Education No. 55's net position decreased by 40% or \$185,157, from the prior year (not restated). Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. Unrestricted net position was \$99,627 for the year ended June 30, 2015. The net pension asset is considered restricted along with the net position related to the Institute Fund, Education Fund and Nonmajor Special Revenue Funds which are restricted for educational purposes.

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* were implemented during the fiscal year 2015. The beginning net position as of July 1, 2014 for governmental activities was restated by \$204,872 to retroactively report the net pension asset and net pension liability as of June 30, 2014. Fiscal years 2013 and 2014 financial statement amounts for net pension assets, net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Changes in net position. Whiteside County Regional Office of Education No. 55's total revenue for the fiscal year ended June 30, 2015 was \$1,285,022. The total cost of all programs and services was \$1,265,307. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and 2014.

2015

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ 12,199	\$ 8,513	\$ 20,712
Operating grants and contributions	749,092	-	749,092
General revenues			
Local sources	49,980	-	49,980
State sources	107,110	-	107,110
On-behalf payments	<u>358,128</u>	<u>-</u>	<u>358,128</u>
Total revenues	<u>1,276,509</u>	<u>8,513</u>	<u>1,285,022</u>
Expenses:			
Education			
Salaries and benefits	640,570	-	640,570
Pension expense	51,013	-	51,013
Purchased services	154,172	5,448	159,620
Supplies and materials	27,689	1,014	28,703
Payments to other governments	15,987	-	15,987
Other objects	2,994	-	2,994
Capital outlay	2,648	-	2,648
Depreciation	5,644	-	5,644
Administrative			
On-behalf payments	<u>358,128</u>	<u>-</u>	<u>358,128</u>
Total expenses	<u>1,258,845</u>	<u>6,462</u>	<u>1,265,307</u>
Change in net position	17,664	2,051	19,715
Net position, beginning of year, as restated	<u>231,557</u>	<u>27,226</u>	<u>258,783</u>
Net position, end of year	<u>\$ 249,221</u>	<u>\$ 29,277</u>	<u>\$ 278,498</u>

Operating grants and contributions account for 58% of the total revenue. Whiteside County Regional Office of Education No. 55's expenses primarily relate to education, which account for 72% of the total expenses.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

<u>2014 (not restated)</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ 23,121	\$ 17,365	\$ 40,486
Operating grants and contributions	674,082	-	674,082
General revenues			
Local sources	49,056	-	49,056
State sources	114,222	-	114,222
On-behalf payments	<u>399,695</u>	<u>-</u>	<u>399,695</u>
Total revenues	<u>1,260,176</u>	<u>17,365</u>	<u>1,277,541</u>
Expenses:			
Education			
Salaries and benefits	674,199	491	674,690
Purchased services	172,792	15,228	188,020
Supplies and materials	27,983	535	28,518
Payments to other governments	22,386	-	22,386
Other objects	2,486	-	2,486
Capital outlay	3,332	-	3,332
Depreciation and disposition losses	6,137	-	6,137
Administrative			
On-behalf payments	<u>399,695</u>	<u>-</u>	<u>399,695</u>
Total expenses	<u>1,309,010</u>	<u>16,254</u>	<u>1,325,264</u>
Excess (Deficiency) before transfers	(48,834)	1,111	(47,723)
Transfers	<u>(10,273)</u>	<u>10,273</u>	<u>-</u>
Change in net position	(59,107)	11,384	(47,723)
Net position, beginning of year	<u>495,536</u>	<u>15,842</u>	<u>511,378</u>
Net position, end of year	<u>\$ 436,429</u>	<u>\$ 27,226</u>	<u>\$ 463,655</u>

Operating grants and contributions account for 53% of the total revenue. Whiteside County Regional Office of Education No. 55's expenses primarily relate to education, which account for 70% of the total expenses.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Governmental Activities

Revenues for governmental activities were \$1,276,509 and \$1,260,176 and expenses were \$1,258,845 and \$1,309,010 for 2015 and 2014, respectively.

The following tables present the cost of Whiteside County Regional Office of Education No. 55's functional governmental activities. The tables also show 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 Whiteside County Regional Office of Education No. 55's residents by each of these functions.

<u>2015</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Education		
Salaries and benefits	\$ 640,570	\$ (113,034)
Pension expense	51,013	8,914
Purchased services	154,172	(17,921)
Supplies and materials	27,689	(5,094)
Payments to other governments	15,987	(1,005)
Other objects	2,994	(2,994)
Capital outlay	2,648	(2,648)
Depreciation	5,644	(5,644)
Administrative		
On-behalf payments	<u>358,128</u>	<u>(358,128)</u>
Total expenses	<u>\$ 1,258,845</u>	<u>\$ (497,554)</u>
<u>2014 (not restated)</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Education		
Salaries and benefits	\$ 674,199	\$ (128,921)
Purchased services	172,792	(57,114)
Supplies and materials	27,983	(12,189)
Payments to other governments	22,386	(2,164)
Other objects	2,486	(2,486)
Capital outlay	3,332	(3,101)
Depreciation and disposition losses	6,137	(6,137)
Administrative		
On-behalf payments	<u>399,695</u>	<u>(399,695)</u>
Total expenses	<u>\$ 1,309,010</u>	<u>\$ (611,807)</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

- The cost of all governmental activities was \$1,258,845 and \$1,309,010 for 2015 and 2014, respectively.
- Federal and state governments subsidized certain governmental activities with grants and contributions of \$749,092 and of \$674,082 for 2015 and 2014, respectively.

Net cost of governmental activities (\$497,554), was financed by general revenues, which are made up of primarily local sources (\$49,980), state sources (\$107,110), and on-behalf payments (\$358,128) for 2015.

Net cost of governmental activities (\$611,807), was financed by general revenues, which are made up of primarily local sources (\$49,056), state sources (\$114,222), and on-behalf payments (\$399,695) for 2014.

Business-Type Activities

Revenues for business-type activities were \$8,513 and \$17,365 and expenses were \$6,462 and \$16,254 for 2015 and 2014, respectively. Revenues of these activities were comprised of charges for services.

INDIVIDUAL FUND ANALYSIS

As previously noted, Whiteside County Regional Office of Education No. 55 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of Whiteside County Regional Office of Education No. 55 as a whole is reflected in its governmental funds, as well. As Whiteside County Regional Office of Education No. 55 completed the year, its governmental funds reported a combined fund balance of \$415,511, above last year's ending fund balance of \$402,428.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Governmental Fund Highlights

The General Fund's fund balance increased from \$285,638 in 2014 to \$286,778 in 2015. The main reason for the increase is due to an increase in tuition charged to the school districts for the Regional Safe School Program.

The Institute Fund's fund balance increased from \$60,016 in 2014 to \$63,042 in 2015. In the current year, revenues decreased from \$17,520 to \$10,393 and expenditures decreased from \$13,284 to \$7,367. The main reason for the decreases is attributable to fewer licenses issued during 2015 along with reduced expenditures due to the new licensure process.

The Education Fund's fund balance increased from \$40,008 in 2014 to \$47,391 in 2015. Revenues increased from \$673,485 in 2014 to \$748,496 in 2015 and expenditures increased from \$673,051 in 2014 to \$745,513 in 2015. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs are discontinued or cut back while others see a funding increase.

Proprietary Fund Highlights

Proprietary Fund net position increased from \$27,226 at June 30, 2014 to \$29,277 at June 30, 2015, representing an increase of approximately 7.5%. The main reason for the increase was due to having revenue in excess of expenses.

BUDGETARY HIGHLIGHTS

Whiteside County Regional Office of Education No. 55 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, Whiteside County Regional Office of Education No. 55 amended several of the grant budgets within the Education Fund. Budgets for grant programs are adjusted because of an increase or decrease in funding due to changes at the state level or to better allocate funds received to meet the needs of the program.

CAPITAL ASSETS AND LONG-TERM DEBT

As of June 30, 2015, Whiteside County Regional Office of Education No. 55 had invested \$34,802 in capital assets of equipment. This amount was \$482 lower when compared to 2014. Total depreciation expense for the year was \$5,644.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2015.

	Governmental Activities
Furniture and equipment	\$ 5,649
Building improvement	29,153
Total capital assets	\$ 34,802

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2014.

	Governmental Activities
Furniture and equipment	\$ 3,516
Building improvement	31,768
Total capital assets	\$ 35,284

Additional information on Whiteside County Regional Office of Education No. 55's capital assets can be found in Note 7 on page 70 of this report.

The Regional Office has entered into a lease agreement as lessee for financing the acquisition of a copier. The present value of minimum lease payments at June 30, 2015 is \$4,382. Additional information on Whiteside County Regional Office of Education No. 55's capital lease can be found in Note 9 on page 70 of this report.

ECONOMIC FACTORS BEARING ON WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55'S FUTURE

At the time these financial statements were prepared and audited, Whiteside County Regional Office of Education No. 55 was aware of several existing circumstances that could significantly affect its financial health in the future:

The circumstance of greatest impact was the upcoming consolidation with the Lee/Ogle Regional Office of Education #47 which allowed the Regional Office of Education to combine both staff and services more cost effectively.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

**CONTACTING WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55'S
FINANCIAL MANAGEMENT**

This financial report is designed to provide Whiteside County Regional Office of Education No. 55's citizens, taxpayers, and customers with a general overview of Whiteside County Regional Office of Education No. 55's finances and to demonstrate Whiteside County Regional Office of Education No. 55's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Whiteside County Regional Office of Education No. 55, 1001 West 23rd Street, Sterling, Illinois 61081.

BASIC FINANCIAL STATEMENTS

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 362,463	\$ 30,449	\$ 392,912
Due from other governments	74,959	-	74,959
Due from (to) other funds	1,172	(1,172)	-
Total current assets	<u>438,594</u>	<u>29,277</u>	<u>467,871</u>
Non-current assets:			
Capital assets, net of accumulated depreciation	34,802	-	34,802
Net pension asset	19,718	-	19,718
Total non-current assets	<u>54,520</u>	<u>-</u>	<u>54,520</u>
Total assets	<u>493,114</u>	<u>29,277</u>	<u>522,391</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>98,771</u>	<u>-</u>	<u>98,771</u>
LIABILITIES			
Current liabilities:			
Unearned revenue	23,083	-	23,083
Lease payable	956	-	956
Total current liabilities	<u>24,039</u>	<u>-</u>	<u>24,039</u>
Non-current liabilities:			
Lease payable	3,426	-	3,426
Net pension liability	264,417	-	264,417
Total non-current liabilities	<u>267,843</u>	<u>-</u>	<u>267,843</u>
Total liabilities	<u>291,882</u>	<u>-</u>	<u>291,882</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>50,782</u>	<u>-</u>	<u>50,782</u>
NET POSITION			
Net investment in capital assets	30,420	-	30,420
Unrestricted	70,350	29,277	99,627
Restricted - other	148,451	-	148,451
Total net position	<u>\$ 249,221</u>	<u>\$ 29,277</u>	<u>\$ 278,498</u>

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary government:						
Governmental activities:						
Education:						
Salaries and benefits	\$ 640,570	\$ 3,172	\$ 524,364	\$ (113,034)	\$ -	\$ (113,034)
Pension expense	51,013	-	59,927	8,914	-	8,914
Purchased services	154,172	8,905	127,346	(17,921)	-	(17,921)
Supplies and materials	27,689	122	22,473	(5,094)	-	(5,094)
Payments to other governments	15,987	-	14,982	(1,005)	-	(1,005)
Other objects	2,994	-	-	(2,994)	-	(2,994)
Capital outlay	2,648	-	-	(2,648)	-	(2,648)
Depreciation	5,644	-	-	(5,644)	-	(5,644)
Administrative:						
On-behalf payments	358,128	-	-	(358,128)	-	(358,128)
Total governmental activities	1,258,845	12,199	749,092	(497,554)	-	(497,554)
Business-type activities:						
Professional development	6,462	8,513	-	-	2,051	2,051
Total primary government	\$ 1,265,307	\$ 20,712	\$ 749,092	(497,554)	2,051	(495,503)
General revenues:						
Local sources				49,980	-	49,980
State sources				107,110	-	107,110
On-behalf payments				358,128	-	358,128
Total general revenues				515,218	-	515,218
CHANGE IN NET POSITION				17,664	2,051	19,715
NET POSITION, BEGINNING OF YEAR, AS RESTATED				231,557	27,226	258,783
NET POSITION, END OF YEAR				\$ 249,221	\$ 29,277	\$ 278,498

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

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015**

	Special Revenue				
<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>	
ASSETS					
Cash and cash equivalents	\$ 230,079	\$ 63,042	\$ 50,277	\$ 19,065	\$ 362,463
Due from other governments	30,254	-	44,705	-	74,959
Due from other funds	<u>26,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,445</u>
Total assets	<u>286,778</u>	<u>63,042</u>	<u>94,982</u>	<u>19,065</u>	<u>463,867</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 286,778</u>	<u>\$ 63,042</u>	<u>\$ 94,982</u>	<u>\$ 19,065</u>	<u>\$ 463,867</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ 24,508	\$ 765	\$ 25,273
Unearned revenue	<u>-</u>	<u>-</u>	<u>23,083</u>	<u>-</u>	<u>23,083</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>47,591</u>	<u>765</u>	<u>48,356</u>
DEFERRED INFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Restricted	-	63,042	49,706	19,065	131,813
Assigned	14,103	-	-	-	14,103
Unassigned	<u>272,675</u>	<u>-</u>	<u>(2,315)</u>	<u>(765)</u>	<u>269,595</u>
Total fund balance	<u>286,778</u>	<u>63,042</u>	<u>47,391</u>	<u>18,300</u>	<u>415,511</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 286,778</u>	<u>\$ 63,042</u>	<u>\$ 94,982</u>	<u>\$ 19,065</u>	<u>\$ 463,867</u>

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

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2015**

Total fund balance of governmental funds (page 36) \$ 415,511

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. 34,802

Non-current assets related to pension benefits are collected
but are not payable in the current period and, therefore,
are not reported in the governmental funds.
Net pension asset 19,718

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

Deferred outflows of resources	98,771
Deferred inflows of resources	<u>(50,782)</u>
	<u>47,989</u>

Non-current liabilities are not due and payable in the current
period and, therefore, are not reported as liabilities
in the governmental funds.

Capital lease obligations	(4,382)
Net pension liability	<u>(264,417)</u>
	<u>(268,799)</u>

Net position of governmental activities (page 34) **\$ 249,221**

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	Special Revenue				Total Governmental Funds
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	
REVENUES:					
Local sources	\$ 39,396	\$ 10,393	\$ 10,584	\$ 1,806	\$ 62,179
State sources	117,694	-	497,491	596	615,781
Federal sources	-	-	240,421	-	240,421
On-behalf payments	262,049	-	-	-	262,049
Total revenues	419,139	10,393	748,496	2,402	1,180,430
EXPENDITURES:					
Education:					
Salaries and benefits	126,240	2,156	512,174	-	640,570
Pension expense	740	-	58,435	-	59,175
Purchased services	20,231	5,111	130,025	868	156,235
Supplies and materials	1,113	100	26,476	-	27,689
Payments to other governments	-	-	15,987	-	15,987
Other objects	2,846	-	148	-	2,994
On-behalf payments	262,049	-	-	-	262,049
Capital outlay	5,542	-	2,268	-	7,810
Total expenditures	418,761	7,367	745,513	868	1,172,509
EXCESS OF REVENUES OVER EXPENDITURES	378	3,026	2,983	1,534	7,921
OTHER FINANCING SOURCES (USES):					
Transfers in	303	-	4,702	-	5,005
Transfers out	(4,703)	-	(302)	-	(5,005)
Proceeds from capital lease	5,162	-	-	-	5,162
Total other financing sources (uses)	762	-	4,400	-	5,162
NET CHANGE IN FUND BALANCE	1,140	3,026	7,383	1,534	13,083
FUND BALANCE, BEGINNING OF YEAR	285,638	60,016	40,008	16,766	402,428
FUND BALANCE, END OF YEAR	\$ 286,778	\$ 63,042	\$ 47,391	\$ 18,300	\$ 415,511

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

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015**

Net change in fund balance (page 38) **\$ 13,083**

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. Disposition losses are reflected in the Statement of Activities but not in the governmental funds.

Capital outlay	5,162
Depreciation	<u>(5,644)</u>
	<u>(482)</u>

A capital asset acquired this year was financed with a capital lease. The amount financed by the lease is reported in the governmental funds as a source of financing. On the other hand, the capital lease is not revenue in the Statement of Activities, but rather constitutes a non-current liability in the Statement of Net Position.

(5,162)

Repayment of long-term lease obligations is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Capital lease obligations	<u>2,063</u>
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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 expense	<u>8,162</u>
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Change in net position of governmental activities (page 35) **\$ 17,664**

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	Business-Type Activities Enterprise Funds <hr style="width: 100%;"/> Other Nonmajor Funds
ASSETS	
Current assets:	
Cash and cash equivalents	\$ <u>30,449</u>
DEFERRED OUTFLOWS OF RESOURCES	
None	<u>-</u>
LIABILITIES	
Current liabilities:	
Due to other funds	<u>1,172</u>
DEFERRED INFLOWS OF RESOURCES	
None	<u>-</u>
NET POSITION	
Unrestricted	\$ <u>29,277</u>

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2015

		Business-Type Activities Enterprise Funds
		Other Nonmajor Funds
OPERATING REVENUES:		
Charges for services	\$	8,513
OPERATING EXPENSES:		
Purchased services		5,448
Supplies and materials		1,014
Total operating expenses		6,462
OPERATING INCOME		2,051
NET POSITION, BEGINNING OF YEAR		27,226
NET POSITION, END OF YEAR	\$	29,277

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Business-Type Activities Enterprise Funds <hr/> Other Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts for workshops and services	\$ 8,513
Payments to suppliers and providers of goods and services	<u>(6,462)</u>
Net cash provided by operating activities	2,051
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Interfund loans	<u>(3,105)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,054)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>31,503</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 30,449</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,051
Adjustments to reconcile operating income to net cash provided by operating activities:	
None	<u>-</u>
Net cash provided by operating activities	<u>\$ 2,051</u>

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash (overdrafts) and cash equivalents	\$ (12,025)
Due from other governments	<u>169,861</u>
TOTAL ASSETS	<u>\$ 157,836</u>
LIABILITIES	
Due to other governments	<u><u>\$ 157,836</u></u>

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Whiteside County Regional Office of Education No. 55 operates under the School Code (105 ILCS 5/3 and 5/3A). A Regional Superintendent of Schools serves as chief administrative officer of the Regional Office of Education No. 55 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 Regional Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring of the safety, health, and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses. Further, the superintendent receives an allocation of school funds from the State Board of Education and apportions these funds to the school districts in accordance with the State Board of Education's formula.

For financial reporting purposes, Whiteside County Regional Office of Education No. 55 has included all funds, organizations, agencies, boards, commissions and authorities. The Regional Office has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Regional Office are such that exclusion would cause the Regional Office's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Regional Office to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Regional Office.

Whiteside County Regional Office of Education No. 55 has determined that no other outside agency meets any of the above criteria and, therefore, no other agency has been included as a component unit in the financial statements. Furthermore, Whiteside County Regional Office of Education No. 55 does not consider itself to be a component unit of any other entity.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the Regional Office that are governmental in nature and those that are considered business-type activities. Governmental activities normally are supported by operating grants and contributions, charges for services and intergovernmental revenues. Business-type activities normally are supported by amounts assessed or received from local sources for the Regional Office programs.

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

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within the governmental funds in the financial section of the basic financial statements and are detailed in the supplementary information.

Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balances of the expendable financial resources and the related current liabilities are accounted for through governmental funds.

The General Fund is the operating fund of Whiteside County Regional Office of Education No. 55. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The following funds are the general funds of Whiteside County Regional Office of Education No. 55:

General Operations - this fund accounts for the monies received and expenditures related to general administration of the Regional Office.

Technology Training - this fund accounts for receipts and expenses by the Regional Superintendent for technology training workshops.

Learning Technology Center - this fund accounts for receipts and expenses for establishing a statewide support system for information, professional development, technical assistance, network design, technology planning, leadership and information exchange.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Regional Safe Schools - these are alternative programs for disruptive youths in grades 6-12. Students eligible for this program must have been suspended or expelled by a local school district.

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

Institute Fund - this fund accounts for collections of license registration fees and a portion of renewal and duplicate fees which are used to defray expenses associated with the work of the regional professional development review committees, to hear appeals relating to the renewal of teaching licenses, to defray expenses connected with improving the technology necessary for the efficient processing of licenses; to defray all costs associated with the administration of teaching licenses; to defray expenses incidental to teachers' institutes, workshops or meetings of a professional nature that are designed to promote the professional growth of teachers or for the purpose of defraying the expense of any general or special meeting of teachers or school personnel of the region, which has been approved by the Regional Superintendent. All funds generated remain restricted until expended only on the aforementioned activities.

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

Administrator's Academy - this program is used for providing staff development training to administrators in school improvement.

Scientific Literacy - this program provides funding for school improvement plans in the areas of math and science and to coordinate teacher development in math and science.

Title I - School Improvement & Accountability - this program assists schools that qualify for school-wide planning through staff development training.

Title II Teacher Quality Leadership - Title II Eisenhower grant provides leadership workshops and Title II Teacher Quality Leadership provides resources for hiring, retaining, and recruiting highly qualified teachers and for training teachers and paraprofessionals. Funds are focused on districts/schools which were in status.

Mathematics & Science Partnerships - this program supports the Illinois Math & Science Programs.

Retired Professional Service Corps - this program places retired educators in schools to assist with special projects.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adult Education and Family Literacy Grant - this program provides for education and literacy programs for adults.

Career Awareness and Development - this program provides students the opportunity to learn more about career options available to them.

Truants Alternative/Optional Education - this program assists in prevention of truancy within the Alternative School.

School to Work (DOL) - this program supports the School to Work Program.

ROE/ISC Technology - this program is designed to support learning technology services to the local school districts.

Even Start - this program is for developing and operating programs to promote family literacy.

Early Childhood Parenting Program - this program supports the Early Childhood Block Program.

ROE/ISC School Improvement Grant - this program provides training and reading workshops for local teachers.

Learning Standards - this program is associated with providing services and funding activities as specified in the Illinois Learning Standards Implementation Plan.

Early Childhood - Block Grant (0-3) - this program supports the Early Childhood Block Program for ages 0-3.

Early Childhood - Block Grant (3-5) - this program supports the Early Childhood Block Program for ages 3-5.

Early Childhood - Block Grant (Prevention Initiative) - this program supports the Early Childhood Block Program for prevention.

Illinois Century Network - this program supports the Department of Central Management Services' Illinois Century Network program.

Tobacco Settlement Recovery Fund/Prevention - this program is used for tobacco prevention education.

Early Childhood - Block Grant (3705-50) - this program supports the Early Childhood Block Prekindergarten At-risk Program.

Reading Improvement Statewide/Professional Development - this program supports the Reading Improvement Program.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Title IV - Community Service - this program is used to support teachers in the use of service to the community as a teaching method.

Title I - Reading First Part B SEA Funds - this program assists K-2 teachers with professional development and the 5 essential components of early reading instruction.

Secretary of State Family Literacy Grant - this program supports literacy activities from the Secretary of State.

Education Outreach Program - this program is associated with workforce investment activities that are designed to increase educational and occupational skill attainment by participants.

State Free Lunch & Breakfast - this program supports the State Free Lunch and Breakfast Programs.

National School Lunch Program - this program supports the National School Lunch Program.

School Breakfast Program - this program supports the School Breakfast Program.

Standards Aligned Classroom - this program provides standards aligned classroom initiatives, coaching and support teams.

System of Support RESPRO - this program provides support to schools and school districts which are on the academic watch list.

English Language Learners - this program provides education to people learning the English language.

Sterling Truants Alternative Program - this program assists in prevention of truancy within the Alternative School in the Sterling area.

McKinney Homeless Grant - this program is used to ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children.

Dollar General - this program provides family literacy services to families who have young children, and in which the adults are learning the English language or working towards their GED.

Gifted Education - this program provides professional development for teachers in the gifted areas.

ARRA Education Jobs - this program provides assistance to states to save or create education jobs for the 2010-2011 school year.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ROE/ISC Operations - this fund accounts for the state grant that provides the funding for the Regional Office of Education No. 55.

Rural Education Achievement Program (REAP) - this fund accounts for federal funds which help rural districts that may lack the personnel and resources to compete effectively for Federal competitive grants and that often receive grant allocations in amounts that are too small to be effective in meeting their intended purposes.

The Regional Office of Education No. 55 reports the following nonmajor governmental funds:

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

General Educational Development - this fund accounts for the receipts and expenses pertaining to the GED/High School Equivalency program for high school dropouts.

Bus Driver Training - this fund accounts for state and local receipts and expenses as a result of training school district bus drivers.

Supervisory - this fund accounts for proceeds provided to the Regional Superintendent by the Illinois State Board of Education to be used for travel and related purposes.

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education No. 55 on a cost reimbursement basis are reported.

Other Nonmajor Funds - used to account for revenues and expenses related to the following funds:

Meeting the Challenge Workshops - used to account for the workshop fees and expenses of the Regional Office of Education No. 55.

Computer Workshops - this fund accounts for workshops conducted by the Regional Office of Education No. 55 related to information technology and computer literacy.

Non-Grant Workshops - this fund accounts for the conducting of a series of non-grant workshops for various school districts.

IARSS Website Development - this fund accounts for local revenues and disbursements related to the Illinois Association of Regional Superintendents of Schools website development program.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Miscellaneous Local Fees - this fund accounts for various programs and services performed for local school districts. Local fees for spelling bees, laminate/books, computer repair, and ISS dinner.

Illinois Principal Mentoring - this fund accounts for the Illinois Principal Mentoring.

The Regional Office of Education No. 55 also reports the following agency funds:

Agency Funds are used to account for assets held by the Regional Office of Education No. 55 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

Distributive Fund - this fund distributes money received from the State out to the school districts and other entities.

Payroll Fund - this fund accounts for payroll costs.

Public Aid Fund - this fund is used to account for funds received from the State for public aid recipients whose children are truants. The money is given to these public aid recipients after meeting with the Regional Superintendent's staff.

Measurement Focus and Basis of Accounting

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

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. Revenues received more than 60 days after the end of the current period are deferred inflows of resources in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements.

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by Whiteside County Regional Office of Education No. 55.

Whiteside County Regional Office of Education No. 55 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, Whiteside County Regional Office of Education No. 55 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Whiteside County Regional Office of Education No. 55's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. It is Whiteside County Regional Office of Education No. 55's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, 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 Whiteside County Regional Office of Education No. 55's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Whiteside County Regional Office of Education No. 55 maintains its financial records on the cash basis. The financial statements of Whiteside County Regional Office of Education No. 55 are prepared by making memorandum adjusting entries to the cash basis financial records.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measureable and become available.

Non-exchange transactions, in which the Regional Office receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted, matching requirements, in which the Regional Office must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the Regional Office on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Cash and cash equivalents - The cash and cash equivalent balances of Whiteside County Regional Office of Education No. 55 are valued at cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

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

Capital assets - Capital assets, which include property, furniture and equipment, are reported in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by Whiteside County Regional Office of Education No. 55 as assets with an initial, individual cost in excess of \$5,000 and estimated useful lives in excess of two years. Capital assets are depreciated using the sum-of-the-years method over 3-40 years.

Whiteside County Regional Office of Education No. 55 reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated absences - Non-exempt, full-time employees earn vacation time according to their length of service; 10 days per year for the first four years of service and 15 days per year starting with the fifth year of service. Vacation time is prorated for employees working between 16 and 35 hours per week. Temporary employees, non-exempt employees who work less than 16 hours per week and exempt employees do not earn vacation days. Vacation time must be used within the same project year in which it was earned and unused vacation time at the end of a project year is forfeited. All projects in which salary expense is incurred have a year-end consistent with Whiteside County Regional Office of Education No. 55's year-end of June 30, and therefore, no liability is accrued.

Employees receive 10 sick days and 2 personal business days annually and the unused portion is accumulated and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and therefore, no liability is accrued.

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

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.

Deferred inflows of resources - Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the Statement of Net Position relate to pensions and consist of the unamortized portion of the net difference between expected and actual experience, changes of assumptions, and the net difference between projected and actual earnings on pension plan investments.

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.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balance

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

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

Restricted Fund Balance - the portion of a Governmental Fund's net position that is subject to external enforceable legal restrictions. The following fund balances are considered restricted by grant agreements or contracts: Title I - School Improvement & Accountability, Mathematics & Science Partnerships, Adult Education and Family Literacy Grant, Truants Alternative/Optional Education, School to Work (DOL), Even Start, Early Childhood Parenting Program, Early Childhood - Block Grant (0-3), Illinois Century Network, Early Childhood - Block Grant (3705-50), Title I - Reading First Part B SEA Funds, Secretary of State Family Literacy Grant, Education Outreach Program, State Free Lunch & Breakfast, National School Lunch Program, School Breakfast Program, Standards Aligned Classroom, System of Support RESPRO, English Language Learners, Sterling Truants Alternative Program, McKinney Homeless Grant, and Dollar General. The following fund balances are restricted by Illinois State Statute: Institute Fund, General Educational Development, and Bus Driver Training.

Committed Fund Balance - the portion of a Governmental Fund's net position with self-imposed constraints or limitations that has been placed at the highest level of decision making. There are no accounts presenting a committed fund balance.

Assigned Fund Balance - the portion of a Governmental Fund's net position to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The fund balances for Technology Training and Learning Technology Center are considered assigned.

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following fund balances are considered unassigned: General Operations, Regional Safe Schools, Title II Teacher Quality Leadership, Early Childhood - Block Grant (3-5), ROE/ISC Operations, and Supervisory.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position presents the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the Statement of Net Position. Net position of Whiteside County Regional Office of Education are classified as follows:

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

Restricted Net Position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

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

Interfund Activity

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

Budgets and Budgetary Accounting

Whiteside County Regional Office of Education No. 55 did not formally adopt a budget for the year ended June 30, 2015 and is not legally required to do so; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared. The Illinois State Board of Education and other federal grantors require budgets for certain state and federal programs. Funds with budgets include the Regional Safe Schools, Title II Teacher Quality Leadership, Truants Alternative/Optional Education, Early Childhood - Block Grant (0-3), Early Childhood - Block Grant (3-5), Secretary of State Family Literacy Grant, McKinney Homeless Grant, and ROE/ISC Operations.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Federal and State Grants

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

Subsequent Events

Management has evaluated subsequent events through March 2, 2016, the date the financial statements were available to be issued.

NOTE 2 - INTERGOVERNMENTAL AGREEMENT

On August 17, 1998, Whiteside County Regional Office of Education No. 55 entered into an Intergovernmental Agreement executed pursuant to the provisions of the Intergovernmental Cooperation Clause of the Illinois Constitution as well as the provisions of the Intergovernmental Cooperation Act of 1973 and the Illinois Admin. Code 525.110.

The name of the Intergovernmental Agreement is known as the Lee/Ogle/Whiteside Intergovernmental Agreement. Membership is made up of the following Regional Offices of Education: Whiteside County Regional Office of Education No. 55 and Lee/Ogle Counties Regional Office of Education No. 47. The Lee/Ogle Counties Regional Office of Education No. 47 was designated as Administrative Agent.

Whiteside County Regional Office of Education No. 55 flows their state and federal funds for regional services to Lee/Ogle Counties Regional Office of Education No. 47 for administration and performance of accounting procedures that conform to all applicable rules and regulations of the Illinois State Board of Education.

The following programs were assigned to the Lee/Ogle/Whiteside Intergovernmental Agreement: Administrator's Academy, Scientific Literacy, Title I - School Improvement and Accountability, Title II Teacher Quality Leadership, Career Awareness and Development, and Learning Standards.

NOTE 3 - CASH AND CASH EQUIVALENTS

The deposit of Whiteside County Regional Office of Education No. 55 monies is governed by the provisions of the Illinois Compiled Statutes.

Deposits

At June 30, 2015, the carrying amount of Whiteside County Regional Office of Education No. 55's deposits was \$380,887 and the bank balance was \$406,095. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2015.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, Whiteside County Regional Office of Education No. 55's deposits may not be returned. Whiteside County Regional Office of Education No. 55 does not have a deposit policy for custodial credit risk. As of June 30, 2015, all of Whiteside County Regional Office of Education No. 55's deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in Whiteside County Regional Office of Education No. 55's name.

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

	<u>Carrying Amount</u>
Cash - Governmental Funds	\$ 362,463
Cash - Enterprise Funds	30,449
Cash (overdrafts) - Agency	<u>(12,025)</u>
Total	<u>\$ 380,887</u>

NOTE 4 - ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries, benefits contributions on-behalf of Whiteside County Regional Office of Education No. 55:

Regional Superintendent - salary	\$ 106,356
Regional Superintendent - benefits (includes state paid insurance)	26,487
Assistant Regional Superintendent - salary	95,736
Assistant Regional Superintendent - benefits (includes state paid insurance)	31,141
THIS on-behalf payments	<u>2,329</u>
Total	<u>\$ 262,049</u>

Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education (ISBE). Whiteside County Regional Office of Education No. 55 recorded the on-behalf payments as both revenues and expenditures in the general fund.

Whiteside County Regional Office of Education No. 55 also recorded \$96,079 in revenues and expenses as on-behalf payments from ISBE for the Whiteside County Regional Office of Education No. 55's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, the Whiteside County Regional Office of Education No. 55 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 4 - ON-BEHALF PAYMENTS (CONTINUED)

State of Illinois on-behalf payments	\$ 262,049
Regional Office of Education No. 55's share of TRS pension expense	<u>96,079</u>
Total	<u>\$ 358,128</u>

NOTE 5 - EMPLOYEE BENEFIT PLAN

IMRF Plan Description

Whiteside County Regional Office of Education No. 55's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. Whiteside County Regional Office of Education No. 55's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *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, 2014, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	11
Inactive Plan Members entitled to but not yet receiving benefits	20
Active Plan Members	16
Total	47

Contributions

As set by statute, Whiteside County Regional Office of Education No. 55'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. Whiteside County Regional Office of Education No. 55's annual contribution rate for calendar year 2014 was 12.85%. For the calendar year ended 2014, Whiteside County Regional Office of Education No. 55 contributed \$47,622 to the plan. Whiteside County Regional Office of Education No. 55 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Asset

Whiteside County Regional Office of Education No. 55's net pension asset was measured as of December 31, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

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

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

Single Discount Rate

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

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 3.56%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension (Asset) Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
Balances at December 31, 2013	\$ 1,465,646	\$ 1,492,976	\$ (27,330)
Changes for the year:			
Service cost	43,244	-	43,244
Interest on the total pension liability	110,087	-	110,087
Changes of benefit terms	-	-	-
Differences between expected and experience of the total pension liability	(56,749)	-	(56,749)
Changes of assumptions	51,375	-	51,375
Contributions - employer	-	47,622	(47,622)
Contributions - employees	-	16,914	(16,914)
Net investment income	-	76,824	(76,824)
Benefit payments, including refunds of employee contributions	(39,957)	(39,957)	-
Other (net transfer)	-	(1,015)	1,015
Net changes	<u>108,000</u>	<u>100,388</u>	<u>7,612</u>
Balances at December 31, 2014	<u>\$ 1,573,646</u>	<u>\$ 1,593,364</u>	<u>\$ (19,718)</u>

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension (asset) liability	<u>\$ 223,480</u>	<u>\$ (19,718)</u>	<u>\$ (204,440)</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

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

For the year ended June 30, 2015, Whiteside County Regional Office of Education No. 55 recognized pension expense of \$30,134. At June 30, 2015, Whiteside County Regional Office of Education No. 55 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 37,493
Changes of assumptions	33,943	-
Net difference between projected and actual earnings on pension plan investments	28,650	-
Total deferred amounts to be recognized in pension expense in future periods	62,593	37,493
Employer contributions subsequent to the measurement date	22,918	-
Total deferred amounts related to pensions	\$ 85,511	\$ 37,493

\$22,918 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset) liability in the reporting year ended June 30, 2016.

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2015	\$ 5,339
2016	5,435
2017	7,163
2018	7,163
2019	-
Thereafter	-
Total	\$ 25,100

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 - RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan description

Whiteside County Regional Office of Education No. 55 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://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

Benefits provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier 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.

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.

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.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 - RETIREMENT PLANS (CONTINUED)

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, 2015, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by Whiteside County Regional Office of Education No. 55.

On behalf contributions to TRS. The state of Illinois makes employer pension contributions on behalf of Whiteside County Regional Office of Education No. 55. For the year ended June 30, 2015, state of Illinois contributions recognized by Whiteside County Regional Office of Education No. 55 were based on the state's proportionate share of the collective net pension liability associated with Whiteside County Regional Office of Education No. 55, and Whiteside County Regional Office of Education No. 55 recognized revenue and expenditures of \$96,079 in pension contributions from the state of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were \$1,324, and are deferred because they were paid after the June 30, 2014 measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by Whiteside County Regional Office of Education No. 55, there is a statutory requirement for Whiteside County Regional Office of Education No. 55 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$35,631 were paid from federal and special trust funds that required employer contributions of \$11,758. These contributions are deferred because they were paid after the June 30, 2014 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. Whiteside County Regional Office of Education No. 55 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, Whiteside County Regional Office of Education No. 55 paid no employer contributions under the ERO program.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 - RETIREMENT PLANS (CONTINUED)

Whiteside County Regional Office of Education No. 55 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, Whiteside County Regional Office of Education No. 55 did not make any employer contributions to TRS 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, 2015, Whiteside County Regional Office of Education No. 55 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 264,417
State's proportionate share of the net pension liability associated with the employer	<u>1,193,372</u>
Total	<u>\$ 1,457,789</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. Whiteside County Regional Office of Education No. 55's proportion of the net pension liability was based on Whiteside County Regional Office of Education No. 55's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, Whiteside County Regional Office of Education No. 55's proportion was .0004344806 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. Whiteside County Regional Office of Education No. 55's proportion of the net pension liability as of June 30, 2013, was based on Whiteside County Regional Office of Education No. 55's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, Whiteside County Regional Office of Education No. 55's proportion was .0004344058 percent.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 - RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2015, Whiteside County Regional Office of Education No. 55 recognized pension expense of \$96,079 and revenue of \$96,079 for support provided by the state. For the year ended June 30, 2015, Whiteside County Regional Office of Education No. 55 recognized pension expense of \$20,879. At June 30, 2015, Whiteside County Regional Office of Education No. 55 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 140	\$ -
Net difference between projected and actual earnings on pension plan investment	-	13,289
Changes of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	38	-
Employer contributions subsequent to the measurement date	<u>13,082</u>	<u>-</u>
Total	<u>\$ 13,260</u>	<u>\$ 13,289</u>

\$13,082 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. 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:	
2016	\$ (3,279)
2017	(3,279)
2018	(3,279)
2019	(3,279)
2020	<u>5</u>
Total	<u><u>\$(13,111)</u></u>

Actuarial assumptions

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

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 - RETIREMENT PLANS (CONTINUED)

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

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

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

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

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 - RETIREMENT PLANS (CONTINUED)

Discount rate

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

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

Sensitivity of Whiteside County Regional Office of Education No. 55's proportionate share of the net pension liability to changes in the discount rate

The following presents Whiteside County Regional Office of Education No. 55's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what Whiteside County Regional Office of Education No. 55's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Regional Office of Education No. 55's proportionate share of the net pension liability	<u>\$ 326,542</u>	<u>\$ 264,417</u>	<u>\$ 212,971</u>

TRS fiduciary net position

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

Teachers Health Insurance Security Fund

Whiteside County Regional Office of Education No. 55 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 - RETIREMENT PLANS (CONTINUED)

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

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

- **On-behalf Contributions.** The state of Illinois makes employer retiree health insurance contributions on behalf of Whiteside County Regional Office of Education No. 55. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$2,329, and Whiteside County Regional Office of Education No. 55 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2014 and June 30, 2013 were 0.97 and 0.92 percent of pay, respectively. State contributions on behalf of Whiteside County Regional Office of Education No. 55's employees were \$1,876 and \$1,790, respectively.
- **Employer Contributions.** Whiteside County Regional Office of Education No. 55 also makes contributions to the THIS Fund. Whiteside County Regional Office of Education No. 55 THIS Fund contribution was 0.76 percent during the year ended June 30, 2015 and 0.72 and 0.69 percent during the years ended June 30, 2014 and June 30, 2013, respectively. For the year ended June 30, 2015, Whiteside County Regional Office of Education No. 55 paid \$1,735 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2014 and June 30, 2013, Whiteside County Regional Office of Education No. 55 paid \$1,393 and \$1,343, respectively, which was 100 percent of the required contributions.

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."

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 7 - CAPITAL ASSETS

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

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Governmental activities:				
Furniture and equipment	\$ 96,594	\$ 5,162	\$ -	\$ 101,756
Building improvements	<u>92,279</u>	<u>-</u>	<u>-</u>	<u>92,279</u>
	188,873	5,162	-	194,035
Less accumulated depreciation	<u>(153,589)</u>	<u>5,644</u>	<u>-</u>	<u>(159,233)</u>
Total capital assets, net	<u>\$ 35,284</u>	<u>\$ (482)</u>	<u>\$ -</u>	<u>\$ 34,802</u>

Depreciation expense was charged as follows:

Governmental activities:	
Education:	
Depreciation	<u>\$ 5,644</u>

NOTE 8 - LINE OF CREDIT

On September 25, 2013 Whiteside County Regional Office of Education No. 55 obtained an unsecured revolving line of credit. The line of credit is available up to \$50,000 with a rate of 6.75% above the prime rate. Whiteside County Regional Office of Education No. 55 had no balance on this line of credit as of June 30, 2015.

NOTE 9 - LEASE PAYABLE

Whiteside County Regional Office of Education No. 55 entered into a lease agreement as a lessee for financing the acquisition of a copier. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date in the capital assets account. The amortized cost of the copier at June 30, 2015 is \$3,728 consisting of a cost of \$5,162 with accumulated depreciation of \$1,434.

The future minimum lease obligations and the net present value of the lease payments as of June 30, 2015 were as follows:

	Year Ending June 30,	Amount
2016		\$ 1,189
2017		1,189
2018		1,189
2019		1,189
2020		<u>199</u>
		4,955
Less: amount representing interest		<u>(573)</u>
Present value of minimum lease payments		<u>\$ 4,382</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 10 - DISPOSITION OF DISTRIBUTIVE FUND INTEREST

The school district boards within Whiteside County Regional Office of Education No. 55 have signed formal agreements that allow Whiteside County Regional Office of Education No. 55 to retain any interest earned during the year.

NOTE 11 - DEFICIT FUND BALANCES

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

Education Fund	
Title II Teacher Quality Leadership	(925)
Early Childhood - Block Grant (3-5)	(375)
ROE/ISC Operations	(1,015)
Nonmajor Special Revenue Funds	
Supervisory	(765)
Nonmajor Proprietary Funds	
Non-Grant Workshops	(976)
IARSS Website Development	(196)

NOTE 12 - DUE FROM/TO OTHER GOVERNMENTS

Whiteside County Regional Office of Education No. 55's General, Special Revenue and Agency Funds have funds due from/to various other governmental units which consist of the following:

Due from other governments:	
General Fund	
Local governments	\$ 25,927
Illinois State Board of Education	4,327
Education Fund	
Local governments	44,684
Illinois State Board of Education	21
Agency Fund	
Local governments	169,861
Total due from other governments	<u>\$ 244,820</u>
Due to other governments:	
Agency Fund	
Local governments	<u>\$ 157,836</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 13 - DUE FROM/TO OTHER FUNDS

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, as of June 30, 2015 were:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund		
Regional Safe Schools	\$ 26,445	\$ -
Education Fund		
Title II Teacher Quality Leadership	-	925
Early Childhood - Block Grant (3-5)	-	375
Education Outreach Program	-	22,193
ROE/ISC Operations	-	1,015
Nonmajor Special Revenue Funds		
Supervisory	-	765
Nonmajor Proprietary Funds		
Non-Grant Workshops	-	976
IARSS Website Development	-	196
Total	<u>\$ 26,445</u>	<u>\$ 26,445</u>

NOTE 14 - TRANSFERS

Transfers are generally made to provide supplemental funding or move resources from the fund required to collect the resources to the fund required to expend the resources. The following is the detail of interfund transfers as of June 30, 2015:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
General Operations	\$ 303	\$ 4,703
Education Fund		
Administrator's Academy	155	-
Scientific Literacy	159	-
Title II Teacher Quality Leadership	74	8
Retired Professional Service Corps	-	28
Adult Education and Family Literacy Grant	215	-
Career Awareness and Development	693	-
ROE/ISC Technology	-	6
ROE/ISC School Improvement Grant	745	-
Learning Standards	-	67
Early Childhood - Block Grant (Prevention Initiative)	-	73
Tobacco Settlement Recovery Fund/Prevention	-	14
Early Childhood - Block Grant (3705-50)	166	-
Reading Improvement Statewide/Professional Development	-	8
Title IV - Community Service	213	-
State Free Lunch & Breakfast	-	98
Gifted Education	2,156	-
ARRA Education Jobs	126	-
Total	<u>\$ 5,005</u>	<u>\$ 5,005</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 15 - RISK MANAGEMENT

Whiteside County Regional Office of Education No. 55 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. Whiteside County Regional Office of Education No. 55 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 16 - NEW PRONOUNCEMENTS

In 2015, Whiteside County Regional Office of Education No. 55 implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27*; and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. These statements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. Whiteside County Regional Office of Education No. 55 also implemented GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement had no impact on the financial statements for Whiteside County Regional Office of Education No. 55.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 17 - ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27* was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a new pension asset/liability and changes in the net pension asset/liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension asset/liability which is required to be reported by GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. Beginning net position for governmental activities were restated to retroactively report the beginning net pension asset/liability and deferred outflows of resources related to contributions made after the measurement date as follows:

Net position June 30, 2014, as previously reported	\$ 436,429
Net pension asset at June 30, 2014	27,330
Net pension liability at June 30, 2014	(272,151)
Change in outflows of resources related to to contributions made after the June 30, 2013 measurement date	<u>39,949</u>
Net position July 1, 2014, as restated	<u>\$ 231,557</u>

NOTE 18 - REGIONAL OFFICE OF EDUCATION CONSOLIDATION

On November 22, 2013 the Illinois State Board of Education adopted a motion pursuant to its obligation under 105 ILCS 5/3A-4(a), which recognizes consolidations agreed to via county board resolutions prior to June 30, 2013. Effective July 1, 2015, Whiteside County was included in the Regional Office of Education No. 47.

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

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

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF CHANGES IN THE NET PENSION ASSET AND RELATED RATIOS
ILLINIOS MUNICIPAL RETIREMENT FUND
CALENDAR YEAR 2014**

Calendar year ended December 31,	<u>2014</u>
Total pension liability	
Service cost	\$ 43,244
Interest on the total pension liability	110,087
Changes of benefit terms	-
Differences between expected and actual experience of the total pension liability	(56,749)
Changes of assumptions	51,375
Benefit payments, including refunds of employee contributions	<u>(39,957)</u>
Net change in total pension liability	108,000
Total pension liability - beginning	<u>1,465,646</u>
Total pension liability - ending (A)	<u>\$ 1,573,646</u>
Plan fiduciary net position	
Contributions - employer	\$ 47,622
Contributions - employees	16,914
Net investment income	76,824
Benefit payments, including refunds of employee contributions	(39,957)
Other (net transfer)	<u>(1,015)</u>
Net change in plan fiduciary net position	100,388
Plan fiduciary net position - beginning	<u>1,492,976</u>
Plan fiduciary net position - ending (B)	<u>\$ 1,593,364</u>
Net pension asset - ending (A) - (B)	<u>\$ (19,718)</u>
Plan fiduciary net position as a percentage of the total pension liability	101.25%
Covered valuation payroll	\$ 370,589
Net pension asset as a percentage of covered valuation payroll	-5.32%

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.

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
CALENDAR YEAR 2014**

Calendar Year Ended <u>December 31,</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered Valuation <u>Payroll</u>	Actual Contribution as a Percentage of Covered <u>Valuation Payroll</u>
2014	\$ 44,656	\$ 47,622	\$ (2,966)	\$ 370,589	12.85%

Notes to Schedule:

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

Valuation Date:

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

Methods and Assumptions Used to Determine 2014 Contribution Rates:

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

Other Information:

Notes: There were no benefit changes during the year.

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

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.

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55

**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, 2015**

	<u>2014</u>
Employer's proportion of the net pension liability	.0004344806%
Employer's proportionate share of the net pension liability	\$ 264,417
State's proportionate share of the net pension liability associated with the employer	<u>1,193,372</u>
Total	<u>\$ 1,457,789</u>
Employer's covered-employee payroll	\$ 193,434
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	136.7%
Plan fiduciary net position as a percentage of the total pension liability	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, 2015**

	<u>2015</u>	<u>2014</u>
Contractually-required contribution	\$ 13,082	\$ 15,502
Contributions in relation to the contractually-required contribution	<u>16,311</u>	<u>15,502</u>
Contribution deficiency (excess)	<u>\$ (3,229)</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 228,309	\$ 193,434
Contributions as a percentage of covered-employee payroll	7.14%	8.01%

Notes to Required Supplementary Information

Changes of assumptions

Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

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

SUPPLEMENTARY INFORMATION

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2015**

	<u>General Operations</u>	<u>Technology Training</u>	<u>Learning Technology Center</u>	<u>Regional Safe Schools</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 52,668	\$ 936	\$ 13,167	\$ 163,308	\$ 230,079
Due from other governments	-	-	-	30,254	30,254
Due from other funds	-	-	-	26,445	26,445
Total assets	<u>52,668</u>	<u>936</u>	<u>13,167</u>	<u>220,007</u>	<u>286,778</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 52,668</u>	<u>\$ 936</u>	<u>\$ 13,167</u>	<u>\$ 220,007</u>	<u>\$ 286,778</u>
LIABILITIES					
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Assigned	-	936	13,167	-	14,103
Unassigned	<u>52,668</u>	<u>-</u>	<u>-</u>	<u>220,007</u>	<u>272,675</u>
Total fund balance	<u>52,668</u>	<u>936</u>	<u>13,167</u>	<u>220,007</u>	<u>286,778</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 52,668</u>	<u>\$ 936</u>	<u>\$ 13,167</u>	<u>\$ 220,007</u>	<u>\$ 286,778</u>

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
Year Ended June 30, 2015**

	<u>General Operations</u>	<u>Technology Training</u>	<u>Learning Technology Center</u>	<u>Regional Safe Schools</u>	<u>Total</u>
REVENUES:					
Local sources	\$ 13,995	\$ -	\$ -	\$ 25,401	\$ 39,396
State sources	-	-	-	117,694	117,694
On-behalf payments	262,049	-	-	-	262,049
Total revenues	<u>276,044</u>	<u>-</u>	<u>-</u>	<u>143,095</u>	<u>419,139</u>
EXPENDITURES:					
Education:					
Salaries	7,467	-	-	104,429	111,896
Benefits	786	-	-	13,558	14,344
Pension expense	288	-	-	452	740
Purchased services	5,412	-	-	14,819	20,231
Supplies and materials	577	-	-	536	1,113
Other objects	-	-	-	2,846	2,846
On-behalf payments	262,049	-	-	-	262,049
Capital outlay	-	-	-	5,542	5,542
Total expenditures	<u>276,579</u>	<u>-</u>	<u>-</u>	<u>142,182</u>	<u>418,761</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(535)</u>	<u>-</u>	<u>-</u>	<u>913</u>	<u>378</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	303	-	-	-	303
Transfers out	(4,703)	-	-	-	(4,703)
Proceeds from capital lease	-	-	-	5,162	5,162
Total other financing sources (uses)	<u>(4,400)</u>	<u>-</u>	<u>-</u>	<u>5,162</u>	<u>762</u>
NET CHANGE IN FUND BALANCE	(4,935)	-	-	6,075	1,140
FUND BALANCE, BEGINNING OF YEAR	<u>57,603</u>	<u>936</u>	<u>13,167</u>	<u>213,932</u>	<u>285,638</u>
FUND BALANCE, END OF YEAR	<u>\$ 52,668</u>	<u>\$ 936</u>	<u>\$ 13,167</u>	<u>\$ 220,007</u>	<u>\$ 286,778</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
Year Ended June 30, 2015

SCHEDULE 3

	Regional Safe Schools Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -	\$ 25,401	\$ 25,401
State sources	51,866	50,699	117,694	66,995
Federal sources	-	-	-	-
Total revenues	51,866	50,699	143,095	92,396
EXPENDITURES:				
Education:				
Salaries	45,328	44,403	104,429	(60,026)
Benefits	5,374	5,239	13,558	(8,319)
Pension expense	-	-	452	(452)
Purchased services	906	799	14,819	(14,020)
Supplies and materials	258	258	536	(278)
Other objects	-	-	2,846	(2,846)
Capital outlay	-	-	5,542	(5,542)
Total expenditures	51,866	50,699	142,182	(91,483)
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -	913	\$ 913
OTHER FINANCING SOURCES				
Proceeds from capital lease			5,162	
NET CHANGE IN FUND BALANCE			6,075	
FUND BALANCE, BEGINNING OF YEAR			213,932	
FUND BALANCE, END OF YEAR			\$ 220,007	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 June 30, 2015

	<u>Administrator's Academy</u>	<u>Scientific Literacy</u>	<u>Title I - School Improvement & Accountability</u>	<u>Title II Teacher Quality Leadership</u>	<u>Mathematics & Science Partnerships</u>	<u>Retired Professional Service Corps</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 233	\$ -	\$ 3,014	\$ -
Due from other governments	-	-	-	-	-	-
Total assets	-	-	233	-	3,014	-
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233</u>	<u>\$ -</u>	<u>\$ 3,014</u>	<u>\$ -</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ 925	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	-	-	925	-	-
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	-	-	233	-	3,014	-
Unassigned	-	-	-	(925)	-	-
Total fund balance (deficit)	-	-	233	(925)	3,014	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233</u>	<u>\$ -</u>	<u>\$ 3,014</u>	<u>\$ -</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2015

	<u>Adult Education and Family Literacy Grant</u>	<u>Career Awareness and Development</u>	<u>Truants Alternative/ Optional Education</u>	<u>School to Work (DOL)</u>	<u>ROE/ISC Technology</u>	<u>Even Start</u>
ASSETS						
Cash and cash equivalents	\$ 9,249	\$ -	\$ 611	\$ 905	\$ -	\$ 2,093
Due from other governments	-	-	-	-	-	-
Total assets	<u>9,249</u>	<u>-</u>	<u>611</u>	<u>905</u>	<u>-</u>	<u>2,093</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 9,249</u>	<u>\$ -</u>	<u>\$ 611</u>	<u>\$ 905</u>	<u>\$ -</u>	<u>\$ 2,093</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	5,991	-	-	-	-	-
Total liabilities	<u>5,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	3,258	-	611	905	-	2,093
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	<u>3,258</u>	<u>-</u>	<u>611</u>	<u>905</u>	<u>-</u>	<u>2,093</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 9,249</u>	<u>\$ -</u>	<u>\$ 611</u>	<u>\$ 905</u>	<u>\$ -</u>	<u>\$ 2,093</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2015

	Early Childhood Parenting Program	ROE/ISC School Improvement Grant	Learning Standards	Early Childhood - Block Grant (0-3)	Early Childhood - Block Grant (3-5)	Early Childhood - Block Grant (Prevention Initiative)
ASSETS						
Cash and cash equivalents	\$ 6,067	\$ -	\$ -	\$ 738	\$ -	\$ -
Due from other governments	-	-	-	-	-	-
Total assets	<u>6,067</u>	<u>-</u>	<u>-</u>	<u>738</u>	<u>-</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 6,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 738</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 375	\$ -
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)						
Restricted	6,067	-	-	738	-	-
Unassigned	-	-	-	-	(375)	-
Total fund balance (deficit)	<u>6,067</u>	<u>-</u>	<u>-</u>	<u>738</u>	<u>(375)</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 6,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 738</u>	<u>\$ -</u>	<u>\$ -</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2015

	<u>Illinois Century Network</u>	<u>Tobacco Settlement Recovery Fund/ Prevention</u>	<u>Early Childhood - Block Grant (3705-50)</u>	<u>Reading Improvement Statewide/ Professional Development</u>	<u>Title IV - Community Service</u>	<u>Title I - Reading First Part B SEA Funds</u>
ASSETS						
Cash and cash equivalents	\$ 1,609	\$ -	\$ 409	\$ -	\$ -	\$ 4,160
Due from other governments	-	-	-	-	-	-
Total assets	<u>1,609</u>	<u>-</u>	<u>409</u>	<u>-</u>	<u>-</u>	<u>4,160</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,609</u>	<u>\$ -</u>	<u>\$ 409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,160</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	4,092
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,092</u>
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	1,609	-	409	-	-	68
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	<u>1,609</u>	<u>-</u>	<u>409</u>	<u>-</u>	<u>-</u>	<u>68</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 1,609</u>	<u>\$ -</u>	<u>\$ 409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,160</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2015

	<u>Secretary of State Family Literacy Grant</u>	<u>Education Outreach Program</u>	<u>State Free Lunch & Breakfast</u>	<u>National School Lunch Program</u>	<u>School Breakfast Program</u>	<u>Standards Aligned Classroom</u>
ASSETS						
Cash and cash equivalents	\$ 119	\$ -	\$ 303	\$ 5,559	\$ 5,356	\$ 631
Due from other governments	-	22,684	21	-	-	-
Total assets	<u>119</u>	<u>22,684</u>	<u>324</u>	<u>5,559</u>	<u>5,356</u>	<u>631</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 119</u>	<u>\$ 22,684</u>	<u>\$ 324</u>	<u>\$ 5,559</u>	<u>\$ 5,356</u>	<u>\$ 631</u>
LIABILITIES						
Due to other funds	\$ -	\$ 22,193	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>22,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	119	491	324	5,559	5,356	631
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	<u>119</u>	<u>491</u>	<u>324</u>	<u>5,559</u>	<u>5,356</u>	<u>631</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 119</u>	<u>\$ 22,684</u>	<u>\$ 324</u>	<u>\$ 5,559</u>	<u>\$ 5,356</u>	<u>\$ 631</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2015

	<u>System of Support RESPRO</u>	<u>English Language Learners</u>	<u>Sterling Truants Alternative Program</u>	<u>McKinney Homeless Grant</u>	<u>Dollar General</u>
ASSETS					
Cash and cash equivalents	\$ 4,238	\$ 289	\$ 4,616	\$ 36	\$ 42
Due from other governments	-	-	22,000	-	-
Total assets	<u>4,238</u>	<u>289</u>	<u>26,616</u>	<u>36</u>	<u>42</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 4,238</u>	<u>\$ 289</u>	<u>\$ 26,616</u>	<u>\$ 36</u>	<u>\$ 42</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	13,000	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
None	-	-	-	-	-
FUND BALANCE (DEFICIT)					
Restricted	4,238	289	13,616	36	42
Unassigned	-	-	-	-	-
Total fund balance (deficit)	<u>4,238</u>	<u>289</u>	<u>13,616</u>	<u>36</u>	<u>42</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 4,238</u>	<u>\$ 289</u>	<u>\$ 26,616</u>	<u>\$ 36</u>	<u>\$ 42</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2015

	<u>Gifted Education</u>	<u>ARRA Education Jobs</u>	<u>ROE/ISC Operations</u>	<u>Rural Education Achievement Program (REAP)</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 50,277
Due from other governments	-	-	-	-	44,705
Total assets	-	-	-	-	94,982
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,982</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ 1,015	\$ -	\$ 24,508
Unearned revenue	-	-	-	-	23,083
Total liabilities	-	-	1,015	-	47,591
DEFERRED INFLOWS OF RESOURCES					
None	-	-	-	-	-
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	-	49,706
Unassigned	-	-	(1,015)	-	(2,315)
Total fund balance (deficit)	-	-	(1,015)	-	47,391
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,982</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2015

SCHEDULE 5

	<u>Administrator's Academy</u>	<u>Scientific Literacy</u>	<u>Title I - School Improvement & Accountability</u>	<u>Title II Teacher Quality Leadership</u>	<u>Mathematics & Science Partnerships</u>	<u>Retired Professional Service Corps</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	1,200	-	-
Total revenues	-	-	-	1,200	-	-
EXPENDITURES:						
Education:						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Pension expense	-	-	-	-	-	-
Purchased services	-	-	-	2,400	-	-
Supplies and materials	-	-	-	-	-	-
Payment to other governments	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	2,400	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(1,200)	-	-
OTHER FINANCING SOURCES (USES):						
Transfers in	155	159	-	74	-	-
Transfers out	-	-	-	(8)	-	(28)
Total other financing sources (uses)	155	159	-	66	-	(28)
NET CHANGE IN FUND BALANCE (DEFICIT)	155	159	-	(1,134)	-	(28)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(155)	(159)	233	209	3,014	28
FUND BALANCE (DEFICIT), END OF YEAR	\$ -	\$ -	\$ 233	\$ (925)	\$ 3,014	\$ -

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2015

SCHEDULE 5
(CONTINUED)

	Adult Education and Family Literacy Grant	Career Awareness and Development	Truants Alternative/ Optional Education	School to Work (DOL)	ROE/ISC Technology	Even Start
REVENUES:						
Local sources	\$ 10	\$ -	\$ 55	\$ -	\$ -	\$ -
State sources	16,000	-	54,928	-	-	-
Federal sources	-	-	-	-	-	-
Total revenues	16,010	-	54,983	-	-	-
EXPENDITURES:						
Education:						
Salaries	9,195	-	42,548	-	-	-
Benefits	847	-	3,255	-	-	-
Pension expense	3,060	-	5,080	-	-	-
Purchased services	320	-	3,841	-	-	-
Supplies and materials	-	-	259	-	-	-
Payment to other governments	-	-	1,098	-	-	-
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	13,422	-	56,081	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,588	-	(1,098)	-	-	-
OTHER FINANCING SOURCES (USES):						
Transfers in	215	693	-	-	-	-
Transfers out	-	-	-	-	(6)	-
Total other financing sources (uses)	215	693	-	-	(6)	-
NET CHANGE IN FUND BALANCE (DEFICIT)	2,803	693	(1,098)	-	(6)	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	455	(693)	1,709	905	6	2,093
FUND BALANCE (DEFICIT), END OF YEAR	\$ 3,258	\$ -	\$ 611	\$ 905	\$ -	\$ 2,093

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2015

SCHEDULE 5
 (CONTINUED)

	Early Childhood Parenting Program	ROE/ISC School Improvement Grant	Learning Standards	Early Childhood - Block Grant (0-3)	Early Childhood - Block Grant (3-5)	Early Childhood - Block Grant (Prevention Initiative)
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ 159	\$ 100	\$ -
State sources	-	-	-	175,936	136,642	-
Federal sources	-	-	-	-	-	-
Total revenues	-	-	-	176,095	136,742	-
EXPENDITURES:						
Education:						
Salaries	-	-	-	131,579	83,002	-
Benefits	-	-	-	9,602	8,246	-
Pension expense	120	-	-	15,699	4,657	-
Purchased services	72	-	-	14,621	30,237	-
Supplies and materials	2,119	-	-	5,437	10,149	-
Payment to other governments	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Capital outlay	2,268	-	-	-	-	-
Total expenditures	4,579	-	-	176,938	136,291	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,579)	-	-	(843)	451	-
OTHER FINANCING SOURCES (USES):						
Transfers in	-	745	-	-	-	-
Transfers out	-	-	(67)	-	-	(73)
Total other financing sources (uses)	-	745	(67)	-	-	(73)
NET CHANGE IN FUND BALANCE (DEFICIT)	(4,579)	745	(67)	(843)	451	(73)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	10,646	(745)	67	1,581	(826)	73
FUND BALANCE (DEFICIT), END OF YEAR	\$ 6,067	\$ -	\$ -	\$ 738	\$ (375)	\$ -

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2015

SCHEDULE 5
 (CONTINUED)

	<u>Illinois Century Network</u>	<u>Tobacco Settlement Recovery Fund/ Prevention</u>	<u>Early Childhood - Block Grant (3705-50)</u>	<u>Reading Improvement Statewide/ Professional Development</u>	<u>Title IV - Community Service</u>	<u>Title I - Reading First Part B SEA Funds</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-
EXPENDITURES:						
Education:						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Pension expense	-	-	-	-	-	-
Purchased services	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-
Payment to other governments	-	-	-	-	-	-
Other objects	-	-	-	-	148	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	148	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	(148)	-
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	166	-	213	-
Transfers out	-	(14)	-	(8)	-	-
Total other financing sources (uses)	-	(14)	166	(8)	213	-
NET CHANGE IN FUND BALANCE (DEFICIT)	-	(14)	166	(8)	65	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	1,609	14	243	8	(65)	68
FUND BALANCE (DEFICIT), END OF YEAR	\$ 1,609	\$ -	\$ 409	\$ -	\$ -	\$ 68

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2015

SCHEDULE 5
(CONTINUED)

	Secretary of State Family Literacy Grant	Education Outreach Program	State Free Lunch & Breakfast	National School Lunch Program	School Breakfast Program	Standards Aligned Classroom
REVENUES:						
Local sources	\$ 41	\$ 143	\$ -	\$ -	\$ -	\$ -
State sources	35,000	-	132	-	-	-
Federal sources	-	194,162	-	6,744	3,773	-
Total revenues	35,041	194,305	132	6,744	3,773	-
EXPENDITURES:						
Education:						
Salaries	22,440	115,616	-	-	-	-
Benefits	2,038	11,593	-	-	-	-
Pension expense	3,229	21,389	-	-	-	-
Purchased services	5,819	44,193	-	6,520	1,757	-
Supplies and materials	1,519	3,045	-	-	-	-
Payment to other governments	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	35,045	195,836	-	6,520	1,757	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4)	(1,531)	132	224	2,016	-
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(98)	-	-	-
Total other financing sources (uses)	-	-	(98)	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	(4)	(1,531)	34	224	2,016	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	123	2,022	290	5,335	3,340	631
FUND BALANCE (DEFICIT), END OF YEAR	\$ 119	\$ 491	\$ 324	\$ 5,559	\$ 5,356	\$ 631

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2015

SCHEDULE 5
 (CONTINUED)

	<u>System of Support RESPRO</u>	<u>English Language Learners</u>	<u>Sterling Truants Alternative Program</u>	<u>McKinney Homeless Grant</u>	<u>Dollar General</u>
REVENUES:					
Local sources	\$ 22	\$ -	\$ 37	\$ 8	\$ 10,000
State sources	-	-	22,000	-	-
Federal sources	-	-	-	14,615	-
Total revenues	22	-	22,037	14,623	10,000
EXPENDITURES:					
Education:					
Salaries	-	-	11,660	5,937	9,880
Benefits	-	-	892	454	-
Pension expense	-	-	1,391	711	-
Purchased services	2	-	1,077	1,648	-
Supplies and materials	10	-	67	978	120
Payment to other governments	-	-	-	4,889	-
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	12	-	15,087	14,617	10,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10	-	6,950	6	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	10	-	6,950	6	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	4,228	289	6,666	30	42
FUND BALANCE (DEFICIT), END OF YEAR	\$ 4,238	\$ 289	\$ 13,616	\$ 36	\$ 42

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2015

SCHEDULE 5
 (CONTINUED)

	<u>Gifted Education</u>	<u>ARRA Education Jobs</u>	<u>ROE/ISC Operations</u>	<u>Rural Education Achievement Program (REAP)</u>	<u>Totals</u>
REVENUES:					
Local sources	\$ -	\$ -	\$ 9	\$ -	\$ 10,584
State sources	-	-	56,853	-	497,491
Federal sources	-	-	-	19,927	240,421
Total revenues	-	-	56,862	19,927	748,496
EXPENDITURES:					
Education:					
Salaries	-	-	40,275	-	472,132
Benefits	-	-	3,115	-	40,042
Pension expense	-	-	3,099	-	58,435
Purchased services	-	-	364	17,154	130,025
Supplies and materials	-	-	-	2,773	26,476
Payment to other governments	-	-	10,000	-	15,987
Other objects	-	-	-	-	148
Capital outlay	-	-	-	-	2,268
Total expenditures	-	-	56,853	19,927	745,513
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	9	-	2,983
OTHER FINANCING SOURCES (USES):					
Transfers in	2,156	126	-	-	4,702
Transfers out	-	-	-	-	(302)
Total other financing sources (uses)	2,156	126	-	-	4,400
NET CHANGE IN FUND BALANCE (DEFICIT)	2,156	126	9	-	7,383
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(2,156)	(126)	(1,024)	-	40,008
FUND BALANCE (DEFICIT), END OF YEAR	\$ -	\$ -	\$ (1,015)	\$ -	\$ 47,391

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2015**

	<u>Title II Teacher Quality Leadership</u>				<u>Truants Alternative/Optional Education</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55	\$ 55
State sources	-	-	-	-	56,192	54,928	54,928	-
Federal sources	2,136	2,136	1,200	(936)	-	-	-	-
Total revenues	<u>2,136</u>	<u>2,136</u>	<u>1,200</u>	<u>(936)</u>	<u>56,192</u>	<u>54,928</u>	<u>54,983</u>	<u>55</u>
EXPENDITURES:								
Education:								
Salaries	-	-	-	-	41,623	41,571	42,548	(977)
Benefits	-	-	-	-	8,170	8,158	3,255	4,903
Pension expense	-	-	-	-	-	-	5,080	(5,080)
Purchased services	-	2,136	2,400	(264)	4,769	4,799	3,841	958
Supplies and materials	2,136	-	-	-	400	400	259	141
Payments to other governments	-	-	-	-	1,230	-	1,098	(1,098)
Total expenditures	<u>2,136</u>	<u>2,136</u>	<u>2,400</u>	<u>(264)</u>	<u>56,192</u>	<u>54,928</u>	<u>56,081</u>	<u>(1,153)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>(1,200)</u>	<u>\$ (1,200)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,098)</u>	<u>\$ (1,098)</u>
OTHER FINANCING SOURCES (USES):								
Transfers in			74				-	
Transfers out			(8)				-	
Total other financing sources (uses)			<u>66</u>				<u>-</u>	
NET CHANGE IN FUND BALANCE (DEFICIT)				(1,134)			(1,098)	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR				<u>209</u>			<u>1,709</u>	
FUND BALANCE (DEFICIT), END OF YEAR				<u>\$ (925)</u>			<u>\$ 611</u>	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2015

	Early Childhood - Block Grant (0-3)				Early Childhood - Block Grant (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	\$ -	\$ -	\$ 159	\$ 159	\$ -	\$ -	\$ 100	\$ 100
State sources	174,724	150,482	175,936	25,454	133,342	117,868	136,642	18,774
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>174,724</u>	<u>150,482</u>	<u>176,095</u>	<u>25,613</u>	<u>133,342</u>	<u>117,868</u>	<u>136,742</u>	<u>18,874</u>
EXPENDITURES:								
Education:								
Salaries	127,646	114,724	131,579	(16,855)	86,250	72,340	83,002	(10,662)
Benefits	25,202	22,431	9,602	12,829	14,432	10,213	8,246	1,967
Pension expense	-	-	15,699	(15,699)	-	-	4,657	(4,657)
Purchased services	18,526	9,977	14,621	(4,644)	29,579	28,980	30,237	(1,257)
Supplies and materials	3,350	3,350	5,437	(2,087)	3,081	6,335	10,149	(3,814)
Payments to other governments	-	-	-	-	-	-	-	-
Total expenditures	<u>174,724</u>	<u>150,482</u>	<u>176,938</u>	<u>(26,456)</u>	<u>133,342</u>	<u>117,868</u>	<u>136,291</u>	<u>(18,423)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>(843)</u>	<u>\$ (843)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>451</u>	<u>\$ 451</u>
OTHER FINANCING SOURCES (USES):								
Transfers in			-				-	
Transfers out			-				-	
Total other financing sources (uses)			<u>-</u>				<u>-</u>	
NET CHANGE IN FUND BALANCE (DEFICIT)			(843)				451	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>1,581</u>				<u>(826)</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 738</u>				<u>\$ (375)</u>	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2015

	Secretary of State Family Literacy Grant				McKinney Homeless Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ -	\$ -	\$ 41	\$ 41	\$ -	\$ -	\$ 8	\$ 8
State sources	35,000	35,000	35,000	-	-	-	-	-
Federal sources	-	-	-	-	13,115	14,615	14,615	-
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>35,041</u>	<u>41</u>	<u>13,115</u>	<u>14,615</u>	<u>14,623</u>	<u>8</u>
EXPENDITURES:								
Education:								
Salaries	22,591	22,591	22,440	151	6,001	6,001	5,937	64
Benefits	5,343	5,343	2,038	3,305	1,178	1,178	454	724
Pension expense	-	-	3,229	(3,229)	-	-	711	(711)
Purchased services	4,600	4,600	5,819	(1,219)	1,290	1,290	1,648	(358)
Supplies and materials	2,466	2,466	1,519	947	546	546	978	(432)
Payments to other governments	-	-	-	-	4,100	5,600	4,889	711
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>35,045</u>	<u>(45)</u>	<u>13,115</u>	<u>14,615</u>	<u>14,617</u>	<u>(2)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>(4)</u>	<u>\$ (4)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>6</u>	<u>\$ 6</u>
OTHER FINANCING SOURCES (USES):								
Transfers in			-				-	
Transfers out			-				-	
Total other financing sources (uses)			<u>-</u>				<u>-</u>	
NET CHANGE IN FUND BALANCE (DEFICIT)			(4)				6	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>123</u>				<u>30</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 119</u>				<u>\$ 36</u>	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2015

	ROE/ISC Operations			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	56,853	56,853	-	(56,853)
Federal sources	-	-	19,927	19,927
Total revenues	<u>56,853</u>	<u>56,853</u>	<u>19,927</u>	<u>(36,926)</u>
EXPENDITURES:				
Education:				
Salaries	41,000	41,000	-	41,000
Benefits	4,830	4,830	-	4,830
Pension expense	-	-	-	-
Purchased services	1,023	1,023	17,154	(16,131)
Supplies and materials	-	-	2,773	(2,773)
Payments to other governments	10,000	10,000	-	10,000
Total expenditures	<u>56,853</u>	<u>56,853</u>	<u>19,927</u>	<u>36,926</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES):				
Transfers in			-	
Transfers out			-	
Total other financing sources (uses)			<u>-</u>	
NET CHANGE IN FUND BALANCE (DEFICIT)			-	
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -</u>	

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2015

	<u>General Educational Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 8,722	\$ 10,343	\$ -	\$ 19,065
DEFERRED OUTFLOWS OF RESOURCES				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 8,722</u>	<u>\$ 10,343</u>	<u>\$ -</u>	<u>\$ 19,065</u>
LIABILITIES				
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 765</u>	<u>\$ 765</u>
DEFERRED INFLOWS OF RESOURCES				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)				
Restricted	8,722	10,343	-	19,065
Unassigned	<u>-</u>	<u>-</u>	<u>(765)</u>	<u>(765)</u>
Total fund balance (deficit)	<u>8,722</u>	<u>10,343</u>	<u>(765)</u>	<u>18,300</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 8,722</u>	<u>\$ 10,343</u>	<u>\$ -</u>	<u>\$ 19,065</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2015

SCHEDULE 8

	<u>General Educational Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>Totals</u>
REVENUES:				
Local sources	\$ 472	\$ 1,334	\$ -	\$ 1,806
State sources	-	596	-	596
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	472	1,930	-	2,402
EXPENDITURES:				
Education:				
Purchased services	-	868	-	868
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE (DEFICIT)	472	1,062	-	1,534
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<hr/> 8,250	<hr/> 9,281	<hr/> (765)	<hr/> 16,766
FUND BALANCE (DEFICIT), END OF YEAR	<hr/> <u>\$ 8,722</u>	<hr/> <u>\$ 10,343</u>	<hr/> <u>\$ (765)</u>	<hr/> <u>\$ 18,300</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
 June 30, 2015

	<u>Meeting the Challenge Workshops</u>	<u>Computer Workshops</u>	<u>Non-Grant Workshops</u>	<u>IARSS Website Development</u>	<u>Miscellaneous Local Fees</u>	<u>Illinois Principal Mentoring</u>	<u>Totals</u>
ASSETS							
Cash and cash equivalents	\$ 20,334	\$ 5,817	\$ -	\$ -	\$ 1,333	\$ 2,965	\$ 30,449
DEFERRED OUTFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
LIABILITIES							
Due to other funds	-	-	976	196	-	-	1,172
DEFERRED INFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
NET POSITION							
Unrestricted	\$ 20,334	\$ 5,817	\$ (976)	\$ (196)	\$ 1,333	\$ 2,965	\$ 29,277

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2015

	<u>Meeting the Challenge Workshops</u>	<u>Computer Workshops</u>	<u>Non-Grant Workshops</u>	<u>IARSS Website Development</u>	<u>Miscellaneous Local Fees</u>	<u>Illinois Principal Mentoring</u>	<u>Totals</u>
OPERATING REVENUES:							
Charges for services	\$ -	\$ -	\$ 5,865	\$ -	\$ 2,648	\$ -	\$ 8,513
OPERATING EXPENSES:							
Purchased services	-	-	2,397	-	3,051	-	5,448
Supplies and materials	-	-	363	-	651	-	1,014
Total operating expenses	-	-	2,760	-	3,702	-	6,462
OPERATING INCOME (LOSS)	-	-	3,105	-	(1,054)	-	2,051
NET POSITION, BEGINNING OF YEAR	20,334	5,817	(4,081)	(196)	2,387	2,965	27,226
NET POSITION, END OF YEAR	\$ 20,334	\$ 5,817	\$ (976)	\$ (196)	\$ 1,333	\$ 2,965	\$ 29,277

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2015**

	<u>Meeting the Challenge Workshops</u>	<u>Computer Workshops</u>	<u>Non-Grant Workshops</u>	<u>IARSS Website Development</u>	<u>Miscellaneous Local Fees</u>	<u>Illinois Principal Mentoring</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts for workshops and services	\$ -	\$ -	\$ 5,865	\$ -	\$ 2,648	\$ -	\$ 8,513
Payments to suppliers and providers of goods and services	-	-	(2,760)	-	(3,702)	-	(6,462)
Net cash provided by (used in) operating activities	-	-	3,105	-	(1,054)	-	2,051
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Interfund loans	-	-	(3,105)	-	-	-	(3,105)
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-	-	-	(1,054)	-	(1,054)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>20,334</u>	<u>5,817</u>	<u>-</u>	<u>-</u>	<u>2,387</u>	<u>2,965</u>	<u>31,503</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 20,334</u>	<u>\$ 5,817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,333</u>	<u>\$ 2,965</u>	<u>\$ 30,449</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ -	\$ -	\$ 3,105	\$ -	\$ (1,054)	\$ -	\$ 2,051
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Effects of changes in assets and liabilities:							
None	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,105</u>	<u>\$ -</u>	<u>\$ (1,054)</u>	<u>\$ -</u>	<u>\$ 2,051</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2015

	<u>Distributive</u> <u>Fund</u>	<u>Payroll</u> <u>Fund</u>	<u>Public</u> <u>Aid</u> <u>Fund</u>	<u>Total</u>
ASSETS				
Cash (overdrafts) and cash equivalents	\$ 102	\$ (12,544)	\$ 417	\$ (12,025)
Due from other governments	<u>157,317</u>	<u>12,544</u>	<u>-</u>	<u>169,861</u>
TOTAL ASSETS	<u>\$ 157,419</u>	<u>\$ -</u>	<u>\$ 417</u>	<u>\$ 157,836</u>
LIABILITIES				
Due to other governments	<u>\$ 157,419</u>	<u>\$ -</u>	<u>\$ 417</u>	<u>\$ 157,836</u>

WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2015

	<u>Balance,</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2015</u>
DISTRIBUTIVE FUND				
ASSETS				
Cash and cash equivalents	\$ 102	\$ 3,486,454	\$ 3,486,454	\$ 102
Due from other governments	-	157,317	-	157,317
TOTAL ASSETS	<u>\$ 102</u>	<u>\$ 3,643,771</u>	<u>\$ 3,486,454</u>	<u>\$ 157,419</u>
LIABILITIES				
Due to other governments	<u>\$ 102</u>	<u>\$ 157,317</u>	<u>\$ -</u>	<u>\$ 157,419</u>
 PAYROLL FUND				
ASSETS				
Cash (overdrafts) and cash equivalents	\$ (12,593)	\$ 204,639	\$ 204,590	\$ (12,544)
Due from other governments	12,593	-	49	12,544
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 204,639</u>	<u>\$ 204,639</u>	<u>\$ -</u>
LIABILITIES				
Due to other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 PUBLIC AID FUND				
ASSETS				
Cash and cash equivalents	<u>\$ 417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417</u>
LIABILITIES				
Due to other governments	<u>\$ 417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417</u>
 TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash (overdrafts) and cash equivalents	\$ (12,074)	\$ 3,691,093	\$ 3,691,044	\$ (12,025)
Due from other governments	12,593	157,317	49	169,861
TOTAL ASSETS	<u>\$ 519</u>	<u>\$ 3,848,410</u>	<u>\$ 3,691,093</u>	<u>\$ 157,836</u>
LIABILITIES				
Due to other governments	<u>\$ 519</u>	<u>\$ 157,317</u>	<u>\$ -</u>	<u>\$ 157,836</u>

**WHITESIDE COUNTY REGIONAL OFFICE OF EDUCATION NO. 55
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
 TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 Year Ended June 30, 2015**

	Regional Superintendent of Schools	Bi-County Special Education Coop	Totals
Early Childhood Block Grant	\$ 334,361	\$ -	\$ 334,361
Regional Safe Schools	51,105	-	51,105
Truants Alternative/Optional Education	65,148	-	65,148
ROE/ISC Operations	56,853	-	56,853
General State Aid	66,995	-	66,995
National Lunch	6,744	14,599	21,343
Title II - Teacher Quality - Leadership	1,200	-	1,200
School Bus Driver Training	596	-	596
School Breakfast	3,773	-	3,773
State Free Lunch & Breakfast	147	175	322
Special Education IDEA	-	2,280,007	2,280,007
Special Education Personnel	-	485,753	485,753
Special Education Preschool	-	118,998	118,998
	<u>\$ 586,922</u>	<u>\$ 2,899,532</u>	<u>\$ 3,486,454</u>