

STATE OF ILLINOIS
MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

FINANCIAL AUDIT

For the Year Ended June 30, 2015

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

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

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MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

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MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

OFFICIALS

Regional Superintendent
(March 1, 2015 – June 30, 2015)

Ms. Kathryn Marshall

Regional Superintendent
(July 1, 2014 – February 28, 2015)

Ms. Phyllis Glazier

Assistant Regional Superintendent
(March 1, 2015 – June 30, 2015)

No Assistant Regional
Superintendent

Assistant Regional Superintendent
(July 1, 2014 – February 28, 2015)

Ms. Kathryn Marshall

Office is located at:

117 South Jefferson
Washburn, IL 61570

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

FINANCIAL REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	1
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	0	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>
<u>Findings (Government Auditing Standards)</u>			
2015-001	11	Controls Over Financial Statement Preparation	Material Weakness

Prior Audit Findings Not Repeated (Government Auditing Standards)

None

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

FINANCIAL REPORT SUMMARY - CONTINUED

EXIT CONFERENCE

Per correspondence received from the Regional Superintendent of Mason, Tazewell, and Woodford Counties Regional Office of Education #53 on March 28, 2016, Marshall, Putnam, and Woodford Counties Regional Office of Education #43 waived having an exit conference. The response to the recommendation was provided by ROE management in correspondence received November 16, 2015.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of Marshall, Putnam and Woodford Counties Regional Office of Education #43 was performed by Sulaski and Webb, CPAs.

Based on their audit, the auditors expressed an unmodified opinion on the Marshall, Putnam and Woodford Counties Regional Office of Education #43's basic financial statements.



CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Marshall, Putnam and Woodford Counties Regional Office of Education #43, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Marshall, Putnam and Woodford Counties Regional Office of Education #43's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the Marshall, Putnam and Woodford Counties Regional Office of Education #43, 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 Matter

As discussed in Note 1 to the financial statements, in the fiscal year ending June 30, 2015, the Marshall, Putnam and Woodford Counties Regional Office of Education #43 adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement 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 12, the Regional Office of Education #43 disbanded effective July 1, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Teachers' Retirement System of the State of Illinois Schedule of the Employer's Proportionate Share of the Net Pension Liability and Schedule of Employer Contributions on pages 16 through 22 and 56 through 57 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Marshall, Putnam and Woodford Counties Regional Office of Education #43's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been

subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2016 on our consideration of the Marshall, Putnam and Woodford Counties Regional Office of Education #43'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 Marshall, Putnam and Woodford Counties Regional Office of Education #43's internal control over financial reporting and compliance.

Sulaski + Webb

Sulaski and Webb
Certified Public Accountants
Bloomington, Illinois

April 13, 2016

Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards*

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Marshall, Putnam and Woodford Counties Regional Office of Education #43, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Marshall, Putnam and Woodford Counties Regional Office of Education #43's basic financial statements, and have issued our report thereon dated April 13, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marshall, Putnam and Woodford Counties Regional Office of Education #43'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 Marshall, Putnam and Woodford Counties Regional Office of Education #43's internal control. Accordingly, we do not express an opinion on the effectiveness of Marshall, Putnam and Woodford Counties Regional Office of Education #43's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marshall, Putnam and Woodford Counties Regional Office of Education #43'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 #43's Response to Finding

Marshall, Putnam and Woodford Counties Regional Office of Education #43's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Marshall, Putnam and Woodford Counties Regional Office of Education #43's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Marshall, Putnam and Woodford Counties Regional Office of Education #43's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Marshall, Putnam and Woodford Counties Regional Office of Education #43's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sulaski - Webb

Sulaski and Webb
Certified Public Accountants
Bloomington, Illinois

April 13, 2016

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2015

Section I – Summary of the Auditor’s Results

Financial Statements

- (1) An unmodified opinion was issued on the financial statements.

Internal Control Over Financial Reporting:

- (2) One material weakness identified during the audit of the financial statements is reported in the *Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*.
- (3) No instances of noncompliance material to the financial statements were noted during the audit.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2015

Section II – Financial Statement Findings

Finding No. 2015-001
Repeated from 14-001,
13-001, 12-1, 11-1, 10-1,
09-1, 08-1 and 07-1

Controls Over Financial Statement Preparation

Criteria/Specific Requirement:

The Marshall, Putnam and Woodford Counties Regional Office of Education #43 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office of Education #43's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

GASB Statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, require governments to record and present net accrued pension liabilities/assets, 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 #43 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #43 maintains its accounting records on the cash basis of accounting during the fiscal year. While the Regional Office of Education #43 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2015

Section II – Financial Statement Findings - Continued

Finding No. 2015-001
Repeated from 14-001,
13-001, 12-1, 11-1, 10-1,
09-1, 08-1 and 07-1

Controls Over Financial Statement Preparation - Continued

Condition (Continued):

During review of the Regional Office of Education #43's financial information prepared by the Regional Office of Education #43, auditors noted there were not adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or unearned revenue. While the Regional Office is capable of maintaining records to indicate the balances of accounts receivable, accounts payable, and unearned revenue, entries were not provided to reconcile the Regional Office of Education #43's grant activity, such as posting grant receivables. Also, lists of accounts receivable, accounts payable, and unearned revenue balances as of June 30, 2015, were not prepared as they have been in previous years.

Through inquiries and discussions with the Regional Office of Education #43's accounting personnel and Regional Superintendent, auditors noted that the Regional Office of Education #43 did not have adequate controls to record and report the Regional Office of Education #43's net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources and pension expenses in accordance with GAAP.

Effect:

The Regional Office of Education #43 management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

Regional Office of Education #43 did not have adequate funding to hire and/or train their accounting personnel in order to maintain a system of internal controls over the preparation of financial statements in accordance with GAAP. In addition, there was not sufficient information to prepare listings of accounts receivable, accounts payable and unearned revenue balances or to adjust the accounts.

According to Regional Office of Education #43's management, the complex requirements of GASB Statements No. 68 and No. 71 were new for fiscal year 2015 and will require additional time and training before the Regional Office of Education #43 can fully implement the requirements on its own.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2015

Section II – Financial Statement Findings - Continued

Finding No. 2015-001
Repeated from 14-001,
13-001, 12-1, 11-1, 10-1,
09-1, 08-1 and 07-1

Controls Over Financial Statement Preparation - Continued

Auditor's Recommendation:

Since the Regional Office of Education #43 has been dissolved and its counties are being merged into other Regional Offices of Education, Regional Offices of Education #35 and #53 should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual(s) possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office of Education #53 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. Management will review year end reporting controls annually and determine the necessity of employing the services of a Certified Public Accounting firm.

The Regional Office of Education #35 agrees with the finding. The Regional Office's bookkeeper has made numerous inquiries of the auditors and the auditors have worked with the bookkeeper in order for her to more fully understand the intricacies of GASB Statements and the impact on the Regional Office's financial statements. In addition, this bookkeeper will be provided additional training and support as necessary for applying the requirements of GASB Statements in future years.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

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

Corrective Action Plan

Finding No. 2015-001

Condition: The Regional Office of Education #43 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #43 maintains its accounting records on the cash basis of accounting during the fiscal year. While the Regional Office of Education #43 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education #43's financial information prepared by the Regional Office of Education #43, auditors noted there were not adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or unearned revenue. While the Regional Office is capable of maintaining records to indicate the balances of accounts receivable, accounts payable, and unearned revenue, entries were not provided to reconcile the Regional Office of Education #43's grant activity, such as posting grant receivables. Also, lists of accounts receivable, accounts payable, and unearned revenue balances as of June 30, 2015, were not prepared as they have been in previous years.

Through inquiries and discussions with the Regional Office of Education #43's accounting personnel and Regional Superintendent, auditors noted that the Regional Office of Education #43 did not have adequate controls to record and report the Regional Office of Education #43's net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources and pension expenses in accordance with GAAP.

Plan: The Regional Office of Education #53 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. Management will review year end reporting controls annually and determine the necessity of employing the services of a Certified Public Accounting firm.

The Regional Office of Education #35 agrees with the finding. The Regional Office's bookkeeper has made numerous inquiries of the auditors and the auditors have worked with the bookkeeper in order for her to more fully understand the intricacies of GASB Statements and the impact on the Regional Office's financial statements. In addition, this bookkeeper will be provided additional training and support as necessary for applying the requirements of GASB Statements in future years.

Completion Date: Undetermined

Contact Person: Gail Owen, Regional Office of Education #53 Regional Superintendent

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2015

<u>Finding Number</u>	<u>Prior Finding</u>	<u>Status</u>
2014-001	The ROE did not have sufficient internal controls over the financial reporting process.	Repeated as Finding 2015-001.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

The Regional Office of Education #43 for the counties of Marshall, Putnam, and Woodford provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2015 with comparative information for the year ended June 30, 2014. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements, which follow.

Overview of the Financial Statements

The Regional Office of Education #43's financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board and is comprised of the Statement of Net Position, the Statement of Activities and notes to financial statements.

The Statement of Net Position presents information on the Regional Office of Education #43's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the resulting net position. This statement also reflects the Regional Office of Education #43's net investment in capital assets, and unrestricted and restricted net position.

The Statement of Activities presents information regarding changes during the fiscal year ended June 30, 2015. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Financial Highlights

The Governmental activities' net position decreased to \$358,429 in fiscal year 2015 from \$361,771 in fiscal year 2014. There was an increase in net position during fiscal year 2015, but the overall decrease in net position from the prior year is due to the recording of a prior period adjustment for net pension liability related to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68. The business-type activities' net position increased to \$3,798 in fiscal year 2015 from \$1,186 in fiscal year 2014. This increase is simply due to operating revenues being more than the related operating expenses from workshops held during fiscal year 2015.

Reporting the Office as a Whole

The government-wide statements report information about the Regional Office of Education #43 (ROE) as a whole. All of the current year revenues and expenses are accounted for in the statements using accounting methods similar to those used by private-sector companies.

The government-wide statements report the ROE's net position and how it has changed. Net position is one indicator of the ROE's financial health. In addition to increases or decreases in the net position, one must also assess non-financial factors, such as new laws, rules, regulations, and actions by officials at the state level to form an accurate measure of the ROE's financial position.

The government-wide financial statements present all of the ROE's activities. Local, state and federal sources of revenue are included in these activities.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Reporting the Office as a Whole (Continued)

The fund financial statements provide detailed information about the ROE's funds. These individual funds track the source and spending for particular programs. State law requires some funds. The ROE establishes other funds for the control and management of funds for particular purposes.

The ROE has three kinds of funds:

1. Governmental funds account for those funds through which most governmental functions of the ROE are financed. Fund statements provide a detailed view to determine whether there are more or fewer resources available for the ROE's programs. These funds include general and special revenue funds. Most of the \$15,276 increase in total governmental funds is within the Institute Fund due to recognizing into revenue all the previous unearned revenue for teacher certification renewals.
2. Proprietary funds account for activities where the ROE charges customers for services. These funds are most similar to a business that operates for a profit. The ROE has one enterprise fund, the Workshops Fund.
3. Fiduciary funds are used to account for assets held by the ROE in a custodial nature and do not involve measurement of results of operations.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of the financial position of the ROE. The ROE's net position on June 30, 2015 indicated an increase of \$13,755. The statement that follows provides a summary of the ROE's net position on June 30, 2015 and 2014:

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Government-Wide Financial Analysis (Continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets						
Current assets	\$ 377,047	\$ 412,858	\$ 3,798	\$ 1,186	\$ 380,845	\$ 414,044
Total assets	<u>377,047</u>	<u>412,858</u>	<u>3,798</u>	<u>1,186</u>	<u>380,845</u>	<u>414,044</u>
Deferred outflows of resources						
	<u>8,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,379</u>	<u>-</u>
Liabilities						
Current liabilities	-	51,087	-	-	-	51,087
Noncurrent liabilities	25,705	-	-	-	25,705	-
Total liabilities	<u>25,705</u>	<u>51,087</u>	<u>-</u>	<u>-</u>	<u>25,705</u>	<u>51,087</u>
Deferred inflows of resources						
	<u>1,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,292</u>	<u>-</u>
Net position						
Unrestricted	272,059	324,317	3,798	1,186	275,857	325,503
Restricted - Other	86,370	37,454	-	-	86,370	37,454
Total net position	<u>\$ 358,429</u>	<u>\$ 361,771</u>	<u>\$ 3,798</u>	<u>\$ 1,186</u>	<u>\$ 362,227</u>	<u>\$ 362,957</u>

The ROE's net position decreased to \$362,227 from \$362,957. Net position with constraints on their use by grantors, laws, or regulations are considered restricted for educational purposes. The statement that follows shows the changes in net position for the years ended June 30, 2015 and 2014:

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Government-Wide Financial Analysis (Continued)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for services	\$ -	\$ -	\$ 5,571	\$ 775	\$ 5,571	\$ 775
State Sources	232,373	191,433	-	-	232,373	191,433
Federal Sources	14,508	35,301	-	-	14,508	35,301
Total Program Revenues	<u>246,881</u>	<u>226,734</u>	<u>5,571</u>	<u>775</u>	<u>252,452</u>	<u>227,509</u>
General Revenues						
Local Sources	76,662	53,680	-	-	76,662	53,680
State Sources	663	663	-	-	663	663
Federal Sources	47,288	30,624	-	-	47,288	30,624
On-Behalf Payments	349,461	447,794	-	-	349,461	447,794
Interest	732	754	-	-	732	754
Total General Revenues	<u>474,806</u>	<u>533,515</u>	<u>-</u>	<u>-</u>	<u>474,806</u>	<u>533,515</u>
Total Revenues	<u>721,687</u>	<u>760,249</u>	<u>5,571</u>	<u>775</u>	<u>727,258</u>	<u>761,024</u>
Expenses						
Program Expenses						
Salaries and Benefits	178,678	197,696	-	-	178,678	197,696
Purchased Services	111,994	108,213	2,455	4,562	114,449	112,775
Supplies and Materials	3,516	7,351	504	790	4,020	8,141
Payments to Other Governments	60,719	39,272	-	-	60,719	39,272
Pension Expense	3,564	-	-	-	3,564	-
Total Program Expenses	<u>358,471</u>	<u>352,532</u>	<u>2,959</u>	<u>5,352</u>	<u>361,430</u>	<u>357,884</u>
Administrative						
On-Behalf Payments	349,461	447,794	-	-	349,461	447,794
Total Administrative	<u>349,461</u>	<u>447,794</u>	<u>-</u>	<u>-</u>	<u>349,461</u>	<u>447,794</u>
Total Expenses	<u>707,932</u>	<u>800,326</u>	<u>2,959</u>	<u>5,352</u>	<u>710,891</u>	<u>805,678</u>
Change in Net Position	<u>13,755</u>	<u>(40,077)</u>	<u>2,612</u>	<u>(4,577)</u>	<u>16,367</u>	<u>(44,654)</u>
Net Position, Beginning of Year	361,771	401,848	1,186	5,763	362,957	407,611
Prior Period Adjustment	<u>(17,097)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,097)</u>	<u>-</u>
Net Position, Beginning of Year, as restated	<u>344,674</u>	<u>401,848</u>	<u>1,186</u>	<u>5,763</u>	<u>345,860</u>	<u>407,611</u>
Net Position, End of Year	<u>\$ 358,429</u>	<u>\$ 361,771</u>	<u>\$ 3,798</u>	<u>\$ 1,186</u>	<u>\$ 362,227</u>	<u>\$ 362,957</u>

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Financial Analysis of the Regional Office of Education #43 Funds

The ROE uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The ROE is a member of a cooperative with the Regional Office of Education #35 to provide school services to our three-county area. Since the Regional Office of Education #35 is the fiscal agent for that cooperative, the funds directly included in ROE #43's accounting system are limited.

The ROE maintains a recognized "Hot Lunch Program" serving the "Regional Safe School Program" students housed on location. All accounting for this program is included in this report. This account is in sound financial condition largely due to the contract and cooperation of Lowpoint-Washburn CUSD #21, contracted meal provider.

The ROE annually prepares a budget for Office Operations, which is submitted to the three county boards serving the area. The fiscal year for this budget runs from December 1 to November 30. Any major increase in this funding level to provide additional operation funds is not realistic at this time due to financial restraints of all three county boards. The ROE also annually adopts budgets for several funds, although not legally required to do so. See Note 1 to the financial statements. All grant budgets are prepared by the ROE and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the ROE's actual financial activity are included in the supplementary information of this report.

The Institute Fund funds were used to provide license services and Institute Day to teachers and administrators throughout the year. The office staff conducts a needs assessment survey with input from local school district teachers and administrators to determine professional development needs. Workshops and institutes are established that can assist the districts in the region improve instruction or educate individuals on state and federal mandates.

The Bus Driver Training Fund is used to annually train new bus driving applicants and provide refresher courses to existing bus drivers. This past year the ROE offered 7 classes in which approximately 157 individuals were trained. Classes range from 2.5 to 8 hours in length depending on content. The Bus Driver Fund receives revenues from State sources in the amount of \$663 annually and collects participant fees (\$8 per person). The ROE reevaluates this program annually, making sure it continues to have a positive balance.

This ROE does not administer the GED test due to the small number of participants, which would dictate infrequent test administration dates. It is felt that use of outside area test administration sites provide more frequent test dates for the benefit of the participants, with little added burden as test sites are within reasonable driving distance. This fund has a positive balance.

The Regional Safe Schools Program (RSSP) – General State Aid provides funds to a program that increases safety in the public schools and promotes a positive learning environment for the students attending the RSSP. The program works to meet the educational needs of severely disruptive students in an alternative learning environment. This fund has a positive balance.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Financial Analysis of the Regional Office of Education #43 Funds (Continued)

The McKinney-Vento Homeless Act provides funds for assisting homeless families/students with educational needs through the Regional Office or the school district. This fund began in the FY08 school year and provides for materials, supplies, transportation, and professional development to name a few categories. The ROE applied as a sub-grantee and was awarded the McKinney-Vento Act grant. This grant is received from the Illinois State Board of Education (ISBE) on an annual basis.

The Principal Mentoring program was started in the FY08 school year. Funding was provided on an annual basis by ISBE through the Illinois Principals' Association. The ROE applied as a provider and was granted a three-year agreement for the Principal Mentoring. The ROE has a positive fund balance for this fee for service project.

The Rural Education Achievement Program (REAP) is a federal grant awarded to the Regional Safe School Program in an effort to provide a funding source to rural areas that struggle financially to provide resources that might otherwise not be provided by program funding (i.e. technology).

The ROE/ISC Operations program is a grant from the State which enabled the ROE to conduct professional development jointly with LaSalle County. Primary topics for training this past year included common core standards, technology, reading, math, and other school improvement areas.

The Title II Teacher Quality Leadership grant was provided through ISBE for the specific purpose of providing the evaluator training for teachers and the evaluator training for principals through Growth Through Learning Illinois. During FY15, two administrators and teachers were trained through funds provided by this grant.

The Illinois' Statewide System of Support provided this year's Title I School Improvement and Accountability funds through Foundational Service Grants. These grants were developed in order to promote five initiatives throughout the State, including teacher evaluation, balanced assessment/Partnership for Assessment of Readiness for College and Careers (PARCC), continuous improvement planning, and new Illinois learning standards in English language arts and integrated math. Seven workshops were offered to area districts in FY15.

The Workshops program enabled the ROE to offer additional trainings this past year especially designed to meet the needs and interests of teachers, administrators, and other school personnel within the Marshall-Putnam-Woodford County region. Primary topics that were offered included reading, math, science, technology and other school improvement areas.

The ROE does not have any Capital Assets over its \$5,000 capitalization threshold. Much of the equipment used by the ROE was purchased and owned by the county governments of the three counties, or the cooperative with Regional Office of Education #35 used to provide school services.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Financial Analysis of the Regional Office of Education #43 Funds (Continued)

The Regional Office of Education #43 remained fiscally responsible through the end of FY15 when the office closed its doors. On July 1, 2015, Woodford County joined Tazewell and Mason County ROE, and Marshall and Putnam Counties joined the LaSalle County ROE.

This financial report is designed to provide the Regional Office of Education #43's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability of funds. If the reader has questions concerning this report or needs additional information regarding its contents, please contact the Regional Superintendent of the Regional Office of Education #53 at 414 Court Street, Ste. 100, Pekin, IL 61554.

BASIC FINANCIAL STATEMENTS

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 372,854	\$ 3,798	\$ 376,652
Due from other governments	4,193	-	4,193
Total Current Assets	<u>377,047</u>	<u>3,798</u>	<u>380,845</u>
TOTAL ASSETS	<u>377,047</u>	<u>3,798</u>	<u>380,845</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	8,379	-	8,379
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>8,379</u>	<u>-</u>	<u>8,379</u>
LIABILITIES			
Current Liabilities:	-	-	-
Noncurrent liabilities:			
Net pension liability	25,705	-	25,705
TOTAL LIABILITIES	<u>25,705</u>	<u>-</u>	<u>25,705</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,292	-	1,292
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,292</u>	<u>-</u>	<u>1,292</u>
NET POSITION			
Unrestricted	272,059	3,798	275,857
Restricted - Other	86,370	-	86,370
TOTAL NET POSITION	<u>\$ 358,429</u>	<u>\$ 3,798</u>	<u>\$ 362,227</u>

The notes to the financial statements are an integral part of this statement.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Instructional Services:						
Salaries and benefits	\$ 178,678	\$ -	\$ 143,385	\$ (35,293)	\$ -	\$ (35,293)
Purchased services	111,994	-	40,509	(71,485)	-	(71,485)
Supplies and materials	3,516	-	2,268	(1,248)	-	(1,248)
Payments to other governments	60,719	-	60,719	-	-	-
Pension expense	3,564	-	-	(3,564)	-	(3,564)
Administrative:						
On-behalf payments	349,461	-	-	(349,461)	-	(349,461)
Total governmental activities	<u>707,932</u>	<u>-</u>	<u>246,881</u>	<u>(461,051)</u>	<u>-</u>	<u>(461,051)</u>
Business-type activities						
Staff Development	2,959	5,571	-	-	2,612	2,612
Total business-type activities	<u>2,959</u>	<u>5,571</u>	<u>-</u>	<u>-</u>	<u>2,612</u>	<u>2,612</u>
Total primary government	<u>\$ 710,891</u>	<u>\$ 5,571</u>	<u>\$ 246,881</u>	<u>(461,051)</u>	<u>2,612</u>	<u>(458,439)</u>
General revenues:						
Local sources				76,662	-	76,662
State sources				663	-	663
Federal sources				47,288	-	47,288
Interest				732	-	732
On-behalf payments				<u>349,461</u>	<u>-</u>	<u>349,461</u>
Total general revenues				<u>474,806</u>	<u>-</u>	<u>474,806</u>
Change in net position				13,755	2,612	16,367
Net position - beginning of year (restated - See Note 13)				<u>344,674</u>	<u>1,186</u>	<u>345,860</u>
Net position - end of year				<u>\$ 358,429</u>	<u>\$ 3,798</u>	<u>\$ 362,227</u>

The notes to the financial statements are an integral part of this statement.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General Fund	Education Fund	Institute Fund	Other Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 286,484	\$ 6,968	\$ 67,732	\$ 11,670	\$ 372,854
Due from other governments	4,193	-	-	-	4,193
Total assets	<u>290,677</u>	<u>6,968</u>	<u>67,732</u>	<u>11,670</u>	<u>377,047</u>
DEFERRED OUTFLOWS OF RESOURCES					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
	<u>\$ 290,677</u>	<u>\$ 6,968</u>	<u>\$ 67,732</u>	<u>\$ 11,670</u>	<u>\$ 377,047</u>
LIABILITIES					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	6,968	67,732	11,670	86,370
Assigned	287,887	-	-	-	287,887
Unassigned	2,790	-	-	-	2,790
Total fund balances	<u>290,677</u>	<u>6,968</u>	<u>67,732</u>	<u>11,670</u>	<u>377,047</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
	<u>\$ 290,677</u>	<u>\$ 6,968</u>	<u>\$ 67,732</u>	<u>\$ 11,670</u>	<u>\$ 377,047</u>

The notes to the financial statements are an integral part of this statement.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #43
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 June 30, 2015

Total fund balances - governmental funds	\$	377,047
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Net pension liability		(25,705)
<p>Pension related deferred outflows or 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:</p>		
Deferred outflows of resources	8,379	
Deferred inflows of resources	(1,292)	7,087
Net position of governmental activities	\$	358,429

The notes to the financial statements are an integral part of this statement.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	General Fund	Education Fund	Institute Fund	Other Non-Major Funds	Total Governmental Funds
Revenues:					
Local sources	\$ 12,772	\$ 966	\$ 61,328	\$ 1,596	\$ 76,662
State sources	174,502	57,871	-	663	233,036
Federal sources	-	61,796	-	-	61,796
Interest	592	8	114	18	732
On-behalf payments	276,960	-	-	-	276,960
	<u>464,826</u>	<u>120,641</u>	<u>61,442</u>	<u>2,277</u>	<u>649,186</u>
Total revenues					
Expenditures:					
Instructional services:					
Salaries and benefits	177,082	1,596	-	-	178,678
Purchased services	40,191	56,650	14,391	762	111,994
Supplies and materials	2,190	667	659	-	3,516
Payments to other governments	-	60,719	-	-	60,719
Pension expense	2,043	-	-	-	2,043
On-behalf payments	276,960	-	-	-	276,960
	<u>498,466</u>	<u>119,632</u>	<u>15,050</u>	<u>762</u>	<u>633,910</u>
Total expenditures					
Net change in fund balances	(33,640)	1,009	46,392	1,515	15,276
Fund balances - beginning of year	<u>324,317</u>	<u>5,959</u>	<u>21,340</u>	<u>10,155</u>	<u>361,771</u>
Fund balances - end of year	<u>\$ 290,677</u>	<u>\$ 6,968</u>	<u>\$ 67,732</u>	<u>\$ 11,670</u>	<u>\$ 377,047</u>

The notes to the financial statements are an integral part of this statement.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

Net change in fund balances	\$	15,276
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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 governmental funds.</p>		
Pension expense		(1,521)

Change in net position of governmental activities	\$	13,755

The notes to the financial statements are an integral part of this statement.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2015

	<u>Enterprise Fund</u>
	<u>Workshops</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,798
TOTAL ASSETS	<u>3,798</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
LIABILITIES	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>
NET POSITION	
Unrestricted	<u>3,798</u>
TOTAL NET POSITION	<u><u>\$ 3,798</u></u>

The notes to the financial statements are an integral part of this statement.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Year Ended June 30, 2015

	Enterprise Fund
	Workshops
OPERATING REVENUES:	
Charges for services	\$ 5,571
Total operating revenues	5,571
OPERATING EXPENSES:	
Purchased services	2,455
Supplies and materials	504
Total operating expenses	2,959
Change in net position	2,612
NET POSITION - BEGINNING OF YEAR	1,186
NET POSITION - END OF YEAR	\$ 3,798

The notes to the financial statements are an integral part of this statement.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2015

	Enterprise Fund
	Workshops
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 5,571
Payments to suppliers and providers of goods and services	(2,959)
Net cash provided by (used for) operating activities	2,612
Net increase (decrease) in cash and cash equivalents	2,612
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,186
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,798
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income (loss)	\$ 2,612
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
None	-
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 2,612

The notes to the financial statements are an integral part of this statement.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #43
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 141</u>
Total Assets	<u><u>\$ 141</u></u>
LIABILITIES	
Due to others	<u>\$ 141</u>
Total Liabilities	<u><u>\$ 141</u></u>

The notes to the financial statements are an integral part of this statement.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Marshall, Putnam and Woodford Counties Regional Office of Education #43 (ROE) conform to accounting principles generally accepted in the United States of America for governmental entities. The following is a summary of the significant accounting policies.

The ROE was created by Illinois Public Act 88-89, as amended. The ROE operates under the School Code (105 ILCS 5/3 and 5/3A). The ROE encompasses Marshall, Putnam, and Woodford Counties in Illinois. A Regional Superintendent of Schools serves as chief administrative officer of the ROE and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code.

The Regional Superintendent is responsible for supervision and control of school districts within Marshall, Putnam and Woodford Counties. This includes all aspects of supervision, reports and financial accounting of districts which are considered by state law to be in the Service Region. In addition, the Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to state controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in Marshall, Putnam and Woodford Counties; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required, providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Marshall, Putnam and Woodford Counties districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with state law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurer's bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts under his control are properly bonded.

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in Marshall, Putnam and Woodford Counties or seeing that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the period ended June 30, 2015, Marshall, Putnam and Woodford Counties Regional Office of Education #43 applied for, received, and administered numerous state and federal programs and grants in assistance and support of the educational activities of the school districts in Marshall, Putnam and Woodford Counties. Such activities are reported as a single special revenue fund (Education Fund).

REPORTING ENTITY

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

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

Certain joint agreements have been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the ROE does not control the assets, operations, or management of the joint agreements. In addition, the ROE is not aware of any entity which would exercise such oversight as to result in the ROE being considered a component unit of the entity.

BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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.

The Statement of Net Position presents the Marshall, Putnam and Woodford Counties Regional Office of Education #43 nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position.

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

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The statements are separated by governmental and business-type activities. The only business-type activity for the ROE is the Workshops Fund, which accounts for fees that are charged for the development of staff for educators in central Illinois.

Fund Financial Statements – The accounts of the ROE are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures. The ROE's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds.

Governmental Fund Types

Governmental Funds are those through which most governmental functions of the ROE are financed. The acquisition, use, and balances of the ROE's expendable financial resources and the related current liabilities are accounted for through Governmental Funds. The ROE's major Governmental Funds include the following:

General Fund – The General Fund is used to account for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted for and reported in another fund. The General Fund accounts for the ROE's on-behalf payments from the State of Illinois and the counties to pay the salary and benefits of the Regional Superintendent, Assistant Regional Superintendent and clerical staff. The General Fund is always considered a major fund. General Funds include the following:

Regional Safe Schools – General State Aid – Funds for programs to increase safety and promote the learning environment in schools. The school was designed to meet the educational needs of multiple suspended or expelled students in an alternative educational environment. Monies received are used in payment of expenditures for the school and also the general operations of the ROE.

ROE #43 Fund – This fund accounts for monies received for and in payment of expenditures in connection with general administrative activities.

Major Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. Major special revenue funds include the following:

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

Alternative Hot Lunch – The program accounts for lunch funds administered by the ROE for the Regional Safe School Program. Revenue is provided by federal and State of Illinois grant funds and local sources.

McKinney Education for Homeless Children – The Homeless Youth Connection provides services for the educational needs of homeless PK-12 students in Marshall, Putnam and Woodford counties. The goal of the program is to ensure that homeless students receive the services they need to attend school on a regular basis despite being homeless.

Principal Mentoring – The program provides support and learning opportunities for new principals to transition into effective educational leaders as state funding allows.

ROE/ISC Operations – Monies are expended to conduct professional development programs.

Rural Education Achievement Program – Designed to help rural districts that may lack the personnel and resources to compete effectively for Federal competitive grants and often receive grant allocations in amounts that are too small to be effective in meeting their intended purposes.

Title II Teacher Quality Leadership – To account for monies received for and in payment of expenditures for activities that aim to increase student academic achievement through strategies such as improving teacher and principal quality; increasing the number of highly qualified teachers, principals, and assistant principals in the schools; and holding local educational agencies and schools accountable for improvements in student academic achievement.

Title I School Improvement and Accountability Part A – SSOS – To provide funds to schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging state academic standards.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Institute – To account for fees collected for the registration and renewal of teaching licenses. These fees are used to defray administrative 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. All funds generated remain restricted until expended only on the aforementioned activities.

Non-Major Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. The ROE's non-major special revenue funds include the following:

Bus Driver Training – To account for the stewardship of the assets held in trust in connection with the Bus Driver Training Program.

General Education Development (GED) – To account for the revenues and expenditures associated with the processing of applications for the high school level GED test and the issuance of diplomas upon successful completion of the examination.

Proprietary Fund Types

Enterprise Fund – Used to account for resources from fees charged directly to those entities or individuals that use the services of the ROE. This consists mainly of monies received for, and payment of, expenditures for workshops and other services for the school districts. The ROE's enterprise funds include the following:

Workshops – This fund accounts for revenues and expenditures associated with additional training to meet the needs and interests of teachers, administrators, and other school personnel.

Fiduciary Fund Types

Agency Fund – Used to account for assets held by the ROE in a trustee capacity or as an agent for individuals and private or governmental organizations. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The ROE has the following Agency Funds:

Regional Trustees Fund – This fund accounts for taxpayer deposits used to cover costs of redistricting hearings.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Jamboree Fund – This fund accounts for monies that are received to cover costs of a teen conference for freshman students in Woodford County.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accounting records are maintained on the cash basis of accounting. Under this method, revenue is recorded when collected and expenditures are recorded when disbursements are made. The financial statements of the Marshall, Putnam and Woodford Counties Regional Office of Education #43 are prepared by making memorandum adjusting entries to the cash basis financial records.

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. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the ROE considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues received more than sixty days after the end of the current period are deferred inflows of resources in the governmental fund financial statements, but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Under the terms of grant agreements, Marshall, Putnam and Woodford Counties Regional Office of Education #43 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding sources available to finance the program. It is the Marshall, Putnam and Woodford Counties Regional Office of Education #43's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
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NOTES TO FINANCIAL STATEMENTS
June 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 the Agency's enterprise fund is charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

GOVERNMENTAL FUND BALANCES

Fund Balance is the difference between assets plus deferred outflows of resources and liabilities plus 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 accounts fund balances are restricted by grant agreements or contracts: Alternative Hot Lunch and Principal Mentoring. The following funds are restricted by Illinois Statute: Bus Driver Training, General Education Development, and Institute.

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 account presenting an assigned fund balance is Regional Safe Schools – General State Aid.

Unassigned Fund Balance – available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance consists of the ROE #43 Fund.

NET POSITION

Equity is classified as net position. Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and is displayed in three components:

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION (Continued)

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, gains, losses, and other changes in fund balance during the reporting period. Actual results could differ from those estimates.

BUDGETS

The ROE does not adopt a formal budget for all revenues and expenditures of the governmental funds and is not legally required to do so. The Regional Office of Education Funds are controlled by the Regional Superintendent of Education and the State of Illinois. Certain programs administered by the ROE are subject to budget approval by the State of Illinois. The actual to budget comparisons are prepared on the modified accrual basis of accounting. The following accounts/funds prepare budgets:

General Funds:

Regional Safe Schools – General State Aid

Education Funds:

McKinney Education for Homeless Children

ROE/ISC Operations

Title II Teacher Quality Leadership

Title I School Improvement and Accountability Part A-SSOS

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUES – EXCHANGE AND NON-EXCHANGE TRANSACTIONS

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

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

CAPITAL ASSETS

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the government-wide Statement of Net Position. Purchases of equipment are recorded as capital outlay expenditures of the various funds. All capital assets are capitalized at cost or estimated historical cost and updated for additions and retirements during the year. The ROE capitalizes items costing \$5,000 or more. As of June 30, 2015, there were no items costing \$5,000 or more.

UNEARNED REVENUES

The ROE reports unearned revenue in the governmental fund Balance Sheet. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period.

CASH AND CASH EQUIVALENTS

The ROE considers all investments with a maturity of three months or less when purchased to be cash equivalents.

REVENUES 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.

DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units is reported at gross with no allowance for uncollectibles since management feels the amount of any uncollectible accounts is immaterial.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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.

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

INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds and are classified as “due to and from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

NEW ACCOUNTING STANDARDS

In fiscal year 2015, the ROE implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The ROE implemented these standards during the current year; however, GASB Statement No. 69 did not have a material impact on the financial statements. The implementation of GASB Statements No. 68 and 71 established standards for measuring and recognizing liabilities/assets, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions.

2. INTERGOVERNMENTAL AGREEMENT

On July 1, 1998, the ROE 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.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

INTERGOVERNMENTAL AGREEMENT (Continued)

The name of the Educational Service Delivery System formed is known as the LaSalle County – Marshall, Putnam, Woodford County Service Delivery System. The LaSalle County Regional Office of Education was designated as Administrative Agent for ROE Services. The following grants of Marshall/Putnam/Woodford Counties Regional Office of Education #43 were assigned to the LaSalle County – Putnam, Marshall, Woodford County Service Delivery System: Illinois Administrators' Academy, ROE Operations, Internal Review, Truants Alternative Program, RESPRO and Learning Technology Center.

3. CASH

State regulations require that the ROE deposit funds under its control into accounts insured by the federal government, secured by substantial collateral or into pooled investment trusts. All funds not needed for immediate disbursements are maintained in interest bearing accounts. The *Illinois Compiled Statutes* authorize the ROE to make deposits and invest in U.S. Government, State of Illinois, and municipal securities; certificates of deposit or time savings deposits insured by the FDIC; mortgage notes, bonds, or debentures issued by the Federal Housing Administration; bonds and other obligations of the Federal National Mortgage Association; commercial paper rated within the three highest classifications by at least two standard rating services; credit union shares; and the Illinois Public Treasurer's Investment Pool.

At June 30, 2015, the carrying amount of the ROE's various bank deposits totaled \$376,793 and the bank balances totaled \$385,972. Included in the bank balance is \$64,404 deposited in the Illinois Funds. The Illinois Funds portfolio includes: certificates of deposit issued by Illinois financial institutions, repurchase agreements backed by direct treasury obligations from primary government securities dealers, direct treasury obligations of the U.S. Government, and money market funds backed by full faith and credit obligations of the U.S. Government. The ROE owns no identifiable investment securities in the Illinois Funds, therefore, credit risk cannot be assessed for the Illinois Funds.

Custodial credit risk is the risk that in the event of a bank failure, the ROE's deposits may not be returned to it. The ROE has a deposit policy for custodial credit risk. As of June 30, 2015, all of the deposits made by the ROE were covered by the Federal Depository Insurance Corporation (FDIC).

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

4. RECEIVABLES/PAYABLES

Receivables for the Marshall, Putnam and Woodford Counties ROE #43 at June 30, 2015, are as follows:

	Due from Other Governments	Other	Total
Governmental activities:			
General	\$ 4,193	\$ -	\$ 4,193
Total	\$ 4,193	\$ -	\$ 4,193

There are no payables for the Marshall, Putnam and Woodford Counties ROE #43 at June 30, 2015.

5. DUE TO/FROM OTHER GOVERNMENTS

The Marshall, Putnam and Woodford Counties Regional Office of Education #43's governmental activities have amounts due to and due from various other governmental units which consist of the following:

Due From Other Governmental Units:

Illinois State Board of Education	\$ <u>4,193</u>
Total	\$ <u>4,193</u>

There are no amounts due to other governmental units at June 30, 2015.

6. INTERFUND TRANSACTIONS

DUE TO/FROM OTHER FUNDS

The Marshall, Putnam, and Woodford Counties ROE #43 did not have any due to/from other fund balances for the year ended June 30, 2015.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

7. RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

Plan Description

The ROE (employer) participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, P.O. Box 19253, Springfield, Illinois 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.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

RETIREMENT PLANS (Continued)

Teachers' Retirement System of the State of Illinois (Continued)

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The 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 the ROE.

- On-behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the ROE. For the year ended June 30, 2015, State of Illinois contributions recognized by the ROE were based on the State's proportionate share of the collective net pension liability associated with the ROE, and the ROE recognized revenue and expenditures of \$72,501 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 \$954, and are deferred because they were paid after the June 30, 2014 measurement date.
- Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the ROE, there is a statutory requirement for the ROE 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 \$3,300 were paid from federal and special trust funds that required employer contributions of \$1,089. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

RETIREMENT PLANS (Continued)

Teachers' Retirement System of the State of Illinois (Continued)

- Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The ROE is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the ROE paid no employer ERO contributions to TRS.

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

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

At June 30, 2015, the ROE 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	\$ 25,705
State's proportionate share of the net pension liability associated with the employer	<u>900,518</u>
Total	<u><u>\$ 926,223</u></u>

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

RETIREMENT PLANS (Continued)

Teachers' Retirement System of the State of Illinois (Continued)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The ROE's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the ROE's proportion was 0.0000422383 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. The ROE's proportion of the net pension liability as of June 30, 2013, was based on the ROE's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2013, the ROE's proportion was 0.0000296957 percent.

For the year ended June 30, 2015, the ROE recognized pension expense of \$72,501 and revenue of \$72,501 for support provided by the State. For the year ended June 30, 2015, the ROE recognized pension expense of \$3,564. At June 30, 2015, the ROE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,292
Change of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,323	-
Employer contributions subsequent to the measurement date	2,042	-
Total	\$ 8,379	\$ 1,292

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

RETIREMENT PLANS (Continued)

Teachers' Retirement System of the State of Illinois (Continued)

\$2,042 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	\$	1,215
2017		1,215
2018		1,215
2019		1,215
2020		185

Actuarial Assumptions

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

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

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

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

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

RETIREMENT PLANS (Continued)

Teachers' Retirement System of the State of Illinois (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. 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	 <u>100%</u>	

Discount Rate

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

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

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

RETIREMENT PLANS (Continued)

Teachers' Retirement System of the State of Illinois (Continued)

Sensitivity of the ROE's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the ROE's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the ROE'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%)
Employer's proportionate share of the net pension liability	\$ 31,745	\$ 25,705	\$ 20,704

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*.

8. OTHER POST-EMPLOYMENT BENEFITS

Teacher Health Insurance Security Fund

The ROE (employer) 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 Medicare Advantage plan.

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.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

OTHER POST-EMPLOYMENT BENEFITS (Continued)

Teacher Health Insurance Security Fund (Continued)

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

- On behalf contributions to the THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the ROE. 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 \$1,677 and the ROE 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 2013, were 0.97 and 0.92 percent of pay, respectively. State contributions on behalf of ROE employees were \$1,416 and \$1,329, respectively.

- Employer contributions to the THIS Fund. The ROE also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015 and 0.72 and 0.69 during the years ended June 30, 2014 and 2013, respectively. For the year ended June 30, 2015, the ROE paid \$1,249 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2014 and 2013, the ROE paid \$1,051 and \$997, respectively, which was 100 percent of the required contribution.

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

9. ON-BEHALF PAYMENTS AND RELATED PARTY TRANSACTIONS

The State of Illinois paid the following salaries, benefits, and contributions on-behalf of the ROE:

THIS contributions (for all eligible employees)	\$ 1,677
Regional Superintendent – salary	106,356
Regional Superintendent – benefits (includes State paid insurance)	28,266
Assistant Regional Superintendent – salary	63,824
Assistant Regional Superintendent – benefits (includes State paid insurance)	<u>20,784</u>
Total	\$ <u>220,907</u>

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

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

ON-BEHALF PAYMENTS AND RELATED PARTY TRANSACTIONS (Continued)

Woodford County paid the following salaries and benefits on-behalf of the ROE:

Salaries	\$ 52,413
Benefits	<u>3,640</u>
Total	\$ <u>56,053</u>

Salary and benefit data for other employees of the ROE was calculated based on data provided by Woodford County. The on-behalf payments are reflected as revenues and expenditures of the General Fund.

The ROE also recorded \$72,501 in revenue and expenses as on-behalf payments from ISBE for the ROE's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, the ROE has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$ 220,907
Woodford County on-behalf payments	56,053
ROE #43's share of TRS pension expense	<u>72,501</u>
Total	\$ <u>349,461</u>

10. OPERATING LEASE

The ROE entered into a lease agreement for the use of office space and classrooms for the Regional Safe Schools Program. The lease terminated on June 30, 2015. The rent paid during the fiscal year ended June 30, 2015 was \$18,900.

11. OTHER DISCLOSURES

Accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds (which are presented only in combination on the financial statements). Funds having deficit fund balances and funds which overextended appropriations during the year are required to be disclosed.

A. There were no funds/accounts with a deficit fund balance at June 30, 2015.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

OTHER DISCLOSURES (Continued)

- B. The following funds had an excess of actual expenditures over budget for the year ended June 30, 2015:

Fund	Budget Amount	Expenditures	Unfavorable Variance
Regional Safe Schools - General State Aid	\$ 52,887	\$ 220,453	\$ 167,566

The Regional Safe Schools – General State Aid fund is reporting an over expenditure due to the actual amounts reflecting other federal, state, and local monies that are not subject to grant budget requirements.

12. 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, the Regional Office of Education #43 disbanded and Woodford County consolidated with Regional Office of Education #53. Marshall County and Putnam County consolidated with Regional Office of Education #35.

13. PRIOR PERIOD ADJUSTMENT

In the fiscal year ending June 30, 2015, the ROE adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*. This statement establishes new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position may include a significant liability for the government’s proportionate share of the employee pension plan.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

PRIOR PERIOD ADJUSTMENT (Continued)

The effect of this change is shown in the table below. The beginning net position for the fiscal year ending June 30, 2015 has been restated for the change.

	<u>Governmental Activities</u>
Beginning net position as previously reported at June 30, 2014	<u>\$ 361,771</u>
Prior period adjustment - implementation of GASB 68:	
Net pension liability (measurement date 2013)	(18,604)
Deferred outflows - employer contributions subsequent to the 2013 measurement date	<u>1,507</u>
Total prior period adjustment	<u>(17,097)</u>
Net position as restated, July 1, 2014	<u><u>\$ 344,674</u></u>

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

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

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

	2015
Employer's proportion of the net pension liability	0.0000422383%
Employer's proportionate share of the net pension liability	\$ 25,705
State's proportionate share of the net pension liability associated with the employer	900,518
Total	\$ 926,223
Employer's covered-employee payroll	\$ 145,928
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	17.6%
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

	2015	2014
Contractually required contribution	\$ 2,043	\$ 1,507
Contributions in relation to the contractually-required contribution	2,043	1,508
Contribution deficiency (excess)	-	(1)
Employer's covered-employee payroll	\$ 164,402	\$ 145,928
Contributions as a percentage of covered-employee payroll	1.2%	1.0%

These schedules are 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.

See notes to the required supplementary information.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

June 30, 2015

1. 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.

SUPPLEMENTAL INFORMATION

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2015

	Regional Safe Schools - General State Aid	ROE #43 Fund	Total
ASSETS			
Cash and cash equivalents	\$ 283,694	\$ 2,790	\$ 286,484
Due from other governments	4,193	-	4,193
Total Assets	<u>287,887</u>	<u>2,790</u>	<u>290,677</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 287,887</u>	<u>\$ 2,790</u>	<u>\$ 290,677</u>
LIABILITIES			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Assigned	287,887	-	287,887
Unassigned	-	2,790	2,790
Total Fund Balance	<u>287,887</u>	<u>2,790</u>	<u>290,677</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE			
	<u>\$ 287,887</u>	<u>\$ 2,790</u>	<u>\$ 290,677</u>

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2015

	Regional Safe Schools - General State Aid	ROE #43 Fund	Total
REVENUES			
Local sources	\$ 11,124	\$ 1,648	\$ 12,772
State sources	174,502	-	174,502
Interest	592	-	592
On-behalf payments	-	276,960	276,960
Total revenues	186,218	278,608	464,826
EXPENDITURES			
Salaries and benefits	177,082	-	177,082
Purchased services	39,305	886	40,191
Supplies and materials	2,023	167	2,190
Pension expense	2,043	-	2,043
On-behalf payments	-	276,960	276,960
Total expenditures	220,453	278,013	498,466
Net change in fund balances	(34,235)	595	(33,640)
FUND BALANCE AT BEGINNING OF YEAR	322,122	2,195	324,317
FUND BALANCE AT END OF YEAR	\$ 287,887	\$ 2,790	\$ 290,677

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNT
REGIONAL SAFE SCHOOLS - GENERAL STATE AID
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources	\$ -	\$ -	\$ 11,124	\$ 11,124
State sources	54,104	52,887	174,502	121,615
Interest	-	-	592	592
	<hr/>		<hr/>	
Total revenues	54,104	52,887	186,218	133,331
<hr/>				
EXPENDITURES				
Salaries and benefits	43,121	43,121	177,082	(133,961)
Purchased services	10,798	9,223	39,305	(30,082)
Supplies and materials	185	543	2,023	(1,480)
Pension expense	-	-	2,043	(2,043)
	<hr/>		<hr/>	
Total expenditures	54,104	52,887	220,453	(167,566)
<hr/>				
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(34,235)	<u>\$ (34,235)</u>
<hr/>				
FUND BALANCE AT BEGINNING OF YEAR			<u>322,122</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 287,887</u>	

NOTE: The budget amounts for Regional Safe Schools reflect only the amounts pertaining to the Regional Safe Schools Grant. The actual amounts reflect grant funds as well as other federal, state, and local monies which are not subject to grant budget requirements.

MARSHALL, PUTNAM AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #43
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 June 30, 2015

	Alternative Hot Lunch	McKinney Education for Homeless Children	Principal Mentoring	ROE/ISC Operations
ASSETS				
Cash and cash equivalents	\$ 6,758	\$ -	\$ 210	\$ -
Total Assets	<u>6,758</u>	<u>-</u>	<u>210</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	<u>\$ 6,758</u>	<u>\$ -</u>	<u>\$ 210</u>	<u>\$ -</u>
LIABILITIES				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Restricted	6,758	-	210	-
Total Fund Balance	<u>6,758</u>	<u>-</u>	<u>210</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE				
	<u>\$ 6,758</u>	<u>\$ -</u>	<u>\$ 210</u>	<u>\$ -</u>

MARSHALL, PUTNAM AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #43
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 June 30, 2015

	Rural Education Achievement Program	Title II Teacher Quality Leadership	Title I School Improvement and Accountability Part A-SSOS	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 6,968
Total Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,968</u>
DEFERRED OUTFLOWS OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,968</u>
LIABILITIES				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,968</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,968</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,968</u>

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2015

	Alternative Hot Lunch	McKinney Education for Homeless Children	Principal Mentoring	ROE/ISC Operations
REVENUES				
Local sources	\$ 966	\$ -	\$ -	\$ -
State sources	59	-	-	57,812
Federal sources	6,416	4,373	-	-
Interest	8	-	-	-
Total revenues	<u>7,449</u>	<u>4,373</u>	<u>-</u>	<u>57,812</u>
EXPENDITURES				
Salaries and benefits	-	690	-	-
Purchased services	6,216	109	224	-
Supplies and materials	-	667	-	-
Payments to other governments	-	2,907	-	57,812
Total expenditures	<u>6,216</u>	<u>4,373</u>	<u>224</u>	<u>57,812</u>
Net change in fund balances	1,233	-	(224)	-
FUND BALANCE AT BEGINNING OF YEAR				
	<u>5,525</u>	<u>-</u>	<u>434</u>	<u>-</u>
FUND BALANCE AT END OF YEAR				
	<u><u>\$ 6,758</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 210</u></u>	<u><u>\$ -</u></u>

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2015

	Rural Education Achievement Program	Title II Teacher Quality Leadership	Title I School Improvement and Accountability Part A-SSOS	Total
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ 966
State sources	-	-	-	57,871
Federal sources	47,288	1,580	2,139	61,796
Interest	-	-	-	8
	<u>47,288</u>	<u>1,580</u>	<u>2,139</u>	<u>120,641</u>
EXPENDITURES				
Salaries and benefits	-	-	906	1,596
Purchased services	47,288	1,580	1,233	56,650
Supplies and materials	-	-	-	667
Payments to other governments	-	-	-	60,719
	<u>47,288</u>	<u>1,580</u>	<u>2,139</u>	<u>119,632</u>
Net change in fund balances	-	-	-	1,009
FUND BALANCE AT BEGINNING OF YEAR				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,959</u>
FUND BALANCE AT END OF YEAR				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,968</u>

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
McKINNEY EDUCATION FOR HOMELESS CHILDREN
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal sources	\$ 5,299	\$ 5,299	\$ 4,373	\$ (926)
Total revenues	<u>5,299</u>	<u>5,299</u>	<u>4,373</u>	<u>(926)</u>
EXPENDITURES				
Salaries and benefits	-	-	690	(690)
Purchased services	750	750	109	641
Supplies and materials	106	106	667	(561)
Payments to other governments	4,443	4,443	2,907	1,536
Total expenditures	<u>5,299</u>	<u>5,299</u>	<u>4,373</u>	<u>926</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE AT END OF YEAR			<u>\$ -</u>	

MARSHALL, PUTNAM AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #43
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ROE/ISC OPERATIONS
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State sources	\$ 57,812	\$ 57,812	\$ 57,812	\$ -
Total revenues	<u>57,812</u>	<u>57,812</u>	<u>57,812</u>	<u>-</u>
EXPENDITURES				
Payments to other governments	<u>57,812</u>	<u>57,812</u>	<u>57,812</u>	<u>-</u>
Total expenditures	<u>57,812</u>	<u>57,812</u>	<u>57,812</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE AT END OF YEAR			<u>\$ -</u>	

MARSHALL, PUTNAM AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #43
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE II TEACHER QUALITY LEADERSHIP
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal sources	\$ 2,180	\$ 2,180	\$ 1,580	\$ (600)
Total revenues	<u>2,180</u>	<u>2,180</u>	<u>1,580</u>	<u>(600)</u>
EXPENDITURES				
Purchased services	<u>2,180</u>	<u>2,180</u>	<u>1,580</u>	<u>600</u>
Total expenditures	<u>2,180</u>	<u>2,180</u>	<u>1,580</u>	<u>600</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE AT END OF YEAR			<u>\$ -</u>	

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TITLE I SCHOOL IMPROVEMENT AND ACCOUNTABILITY PART A - SSOS
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal sources	\$ 43,880	\$ 43,880	\$ 2,139	\$ (41,741)
Total revenues	<u>43,880</u>	<u>43,880</u>	<u>2,139</u>	<u>(41,741)</u>
EXPENDITURES				
Salaries and benefits	37,234	37,234	906	36,328
Purchased services	4,400	5,550	1,233	4,317
Supplies and materials	1,196	1,096	-	1,096
Capital outlay	1,050	-	-	-
Total expenditures	<u>43,880</u>	<u>43,880</u>	<u>2,139</u>	<u>41,741</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE AT END OF YEAR			<u>\$ -</u>	

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2015

	Bus Driver Training	General Education Development	Total
ASSETS			
Cash and cash equivalents	\$ 5,171	\$ 6,499	\$ 11,670
Total assets	<u>5,171</u>	<u>6,499</u>	<u>11,670</u>
DEFERRED OUTFLOWS OF RESOURCES			
	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 5,171</u>	<u>\$ 6,499</u>	<u>\$ 11,670</u>
LIABILITIES			
	-	-	-
DEFERRED INFLOWS OF RESOURCES			
	-	-	-
FUND BALANCE			
Restricted	5,171	6,499	11,670
Total fund balance	<u>5,171</u>	<u>6,499</u>	<u>11,670</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE			
	<u>\$ 5,171</u>	<u>\$ 6,499</u>	<u>\$ 11,670</u>

MARSHALL, PUTNAM AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #43
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2015

	Bus Driver Training	General Education Development	Total
REVENUES			
Local sources	\$ 1,520	\$ 76	\$ 1,596
State sources	663	-	663
Interest	-	18	18
	2,183	94	2,277
EXPENDITURES			
Purchased services	762	-	762
	762	-	762
Net change in fund balance	1,421	94	1,515
FUND BALANCE AT BEGINNING OF YEAR	3,750	6,405	10,155
FUND BALANCE AT END OF YEAR	\$ 5,171	\$ 6,499	\$ 11,670

MARSHALL, PUTNAM AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #43
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 June 30, 2015

	Regional Trustees Fund	Jamboree Fund	Total
ASSETS			
Cash and cash equivalents	\$ 141	\$ -	\$ 141
Total Assets	\$ 141	\$ -	\$ 141
LIABILITIES			
Due to others	\$ 141	\$ -	\$ 141
Total Liabilities	\$ 141	\$ -	\$ 141

MARSHALL, PUTNAM AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #43
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended June 30, 2015

	Balance 7/1/2014	Additions	Deductions	Balance 6/30/2015
REGIONAL TRUSTEES FUND				
ASSETS				
Cash and cash equivalents	\$ 360	\$ 3,000	\$ 3,219	\$ 141
LIABILITIES				
Due to others	\$ 360	\$ 3,000	\$ 3,219	\$ 141
JAMBOREE FUND				
ASSETS				
Cash and cash equivalents	\$ 1,026	\$ 1,350	\$ 2,376	\$ -
LIABILITIES				
Due to others	\$ 1,026	\$ 1,350	\$ 2,376	\$ -
TOTALS AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 1,386	\$ 4,350	\$ 5,595	\$ 141
LIABILITIES				
Due to others	\$ 1,386	\$ 4,350	\$ 5,595	\$ 141