

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

**(In Accordance with the Single Audit Act
and OMB Circular A-133)**

For the Year Ended June 30, 2008

**Performed as Special Assistant Auditors
for the Office of the Auditor General**

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

TABLE OF CONTENTS

	PAGE
OFFICIALS	1
COMPLIANCE REPORT SUMMARY	2
FINANCIAL STATEMENT REPORT SUMMARY	4
FINANCIAL SECTION	
Independent Auditor’s Report.....	5
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.....	7
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance In Accordance with OMB Circular A-133	9
Schedule of Findings and Questioned Costs.....	11
Corrective Action Plan for Current Year Audit Findings	24
Summary Schedule of Prior Audit Findings	30
Management’s Discussion and Analysis.....	31
BASIC FINANCIAL STATEMENTS	45
EXHIBIT	
Government-wide Financial Statements:	
Statement of Net Assets	A 46
Statement of Activities	B 47
Governmental Funds Financial Statements:	
Balance Sheet - Governmental Funds	C 48
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D 49
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	E 50
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities Governmental Funds.....	F 51

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

TABLE OF CONTENTS (Continued)

BASIC FINANCIAL STATEMENTS (Continued)

	PAGE
	EXHIBIT
Proprietary Funds Financial Statements:	
Statement of Net Assets - Proprietary Funds..... G	52
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	H 53
Statement of Cash Flows - Proprietary Funds..... I	54
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Assets - Fiduciary Fund	J 55
Notes to Financial Statements	56

REQUIRED SUPPLEMENTAL INFORMATION 73

Schedule of Funding Progress - IMRF (Unaudited)	74
---	----

OTHER SUPPLEMENTAL INFORMATION 75

SCHEDULE

Budgetary Comparison Schedule - General Fund - ROE Operations	1 76
Education Fund:	
Combining Schedule of Accounts	2 77
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	3 81
Budgetary Comparison Schedule.....	4 85
Combining Balance Sheet - Nonmajor Special Revenue Funds	5 93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	6 94
Fiduciary Fund:	
Combining Statement of Fiduciary Net Assets - Agency Funds	7 95
Combining Statement of Changes in Assets and Liabilities - Agency Funds	8 96
Schedule of Disbursements to School District Treasurers and Other Entities	9 97

FEDERAL COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards.....	10 98
Notes to the Schedule of Expenditures of Federal Awards	99

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

OFFICIALS

Regional Superintendent
(during the audit period)

Honorable Joseph A. Vermeire

Regional Superintendent
(July 1, 2009 - current)

Honorable James Widdop, Jr.

Assistant Regional Superintendent
(during the audit period)

James Widdop, Jr.

Interim Assistant Regional Superintendent
(July 1, 2009 - current)

Mr. John Flaherty

Office is located at:

3430 Avenue of the Cities
Moline, Illinois 61265

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

COMPLIANCE REPORT SUMMARY

The compliance audit testing performed during 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 on compliance and on internal controls do not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	6	5
Repeated audit findings	3	0
Prior recommendations implemented or not repeated	2	1

Details of audit findings are presented in a separately tabbed report section.

An additional 2 matters which are less than a significant deficiency or material weakness but more than inconsequential, have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditors' reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

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

08-1	12-13	Controls Over Financial Statement Preparation	Significant Deficiency
08-2	14	Payment of Finance Charges and Late Fees	Significant Deficiency
08-3	15-16	Inaccurate Expenditure Reports	Significant Deficiency
08-4	17-18	Lack of Documentation and Inadequate Internal Control Over Disbursements	Significant Deficiency

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

08-3	15-16	Inaccurate Expenditure Reports	Significant Deficiency
08-4	17-18	Lack of Documentation and Inadequate Internal Control Over Disbursements	Significant Deficiency
08-5	20-21	Inadequate Consultation with Private Schools	Significant Deficiency
08-6	22-23	Inadequate Controls Over Cash Management	Significant Deficiency

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

COMPLIANCE REPORT SUMMARY

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)			
07-2	30	Employee Travel and Use of ROE Credit Cards	Material Weakness
07-4	30	Meal Purchases	Significant Deficiency

PRIOR FINDINGS AND QUESTIONED COSTS NOT REPEATED (FEDERAL COMPLIANCE)

None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on November 7, 2008. Attending were Honorable Joseph A. Vermeire, Regional Superintendent and Joe Hoerschelmann, Auditor from Clifton Gunderson LLP. Responses to the recommendations were provided by Honorable Joseph A. Vermeire, Regional Superintendent, on July 16, 2009.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of Rock Island County Regional Office of Education No. 49 was performed by Clifton Gunderson LLP.

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

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rock Island County Regional Office of Education No. 49, as of and for the year ended June 30, 2008, which collectively comprise the Rock Island County Regional Office of Education No. 49's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Rock Island County Regional Office of Education No. 49's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Rock Island County Regional Office of Education No. 49, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 17, 2009 on our consideration of the Rock Island County Regional Office of Education No. 49's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 31 through 44 and page 74 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rock Island County Regional Office of Education No. 49's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clifton Henderson LLP

Clinton, Iowa
September 17, 2009



**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 William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rock Island County Regional Office of Education No. 49, as of and for the year ended June 30, 2008, which collectively comprise the Rock Island County Regional Office of Education No. 49's basic financial statements and have issued our report thereon dated September 17, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Rock Island County Regional Office of Education No. 49's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Rock Island County Regional Office of Education No. 49's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Rock Island County Regional Office of Education No. 49's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting, 08-1, 08-2, 08-3, and 08-4.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, we believe that none of the significant deficiencies described is a material weakness.

Compliance and Other Matters

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

We also noted certain matters which we have reported to management of the Rock Island County Regional Office of Education No. 49 in a separate letter dated September 17, 2009.

Rock Island County Regional Office of Education No. 49's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Rock Island County Regional Office of Education No. 49's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the organization, Illinois State Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Clinton, Iowa
September 17, 2009

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Rock Island County Regional Office of Education No. 49 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Rock Island County Regional Office of Education No. 49's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Rock Island County Regional Office of Education No. 49's management. Our responsibility is to express an opinion on the Rock Island County Regional Office of Education No. 49's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Rock Island County Regional Office of Education No. 49's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Rock Island County Regional Office of Education No. 49's compliance with those requirements.

In our opinion, the Rock Island County Regional Office of Education No. 49 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 08-3, 08-4, 08-5 and 08-6.

Internal Control Over Compliance

The management of the Rock Island County Regional Office of Education No. 49 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Rock Island County Regional Office of Education No. 49's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Rock Island County Regional Office of Education No. 49's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 08-3, 08-4, 08-5 and 08-6 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Rock Island County Regional Office of Education No. 49's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Rock Island County Regional Office of Education No. 49's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the organization, Illinois State Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Clinton, Iowa
September 17, 2009

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section I: Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: _____ Unqualified _____

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? x yes _____ none reported
- Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? x yes _____ none reported

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
<u>84.287</u>	<u>Title IV - 21st Century Community Learning Centers</u>
<u>84.287</u>	<u>Title IV - 21st Century Community Learning Centers (Edison)</u>
<u>84.287</u>	<u>Title IV - 21st Century Community Learning Centers (RIHS UTHS)</u>

Dollar threshold used to distinguish between type A and type B programs: _____ \$300,000 _____

Auditee qualified as low-risk auditee? _____ yes x no

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section II: Financial Statement Findings:

FINDING NO. 08-1 - Controls Over Financial Statement Preparation (Repeat from 2007 - No. 07-1)

Criteria/Specific Requirement:

The Regional Office of Education No. 49 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education No. 49 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Effect:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Section II: Financial Statement Findings:

**FINDING NO. 08-1 - Controls Over Financial Statement Preparation (Repeat from 2007 -
No. 07-1) (Continued)**

Recommendation:

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

Management's Response:

The Regional Office has five positions that have some direct review, contact and oversight of its financial statements. These individuals will attend training opportunities to enhance their knowledge of the applicable accounting principles and other areas needed to have a sufficient set of internal controls over financial statement preparation.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section II: Financial Statement Findings:

FINDING NO. 08-2 - Payment of Finance Charges and Late Fees (Repeat from 2007 - No. 07-3)

Criteria/Specific Requirement:

Internal controls should exist to ensure that bills are paid in a timely fashion.

Condition:

The Regional Office paid \$1,151 in finance charges and \$467 in late fees on its credit cards in fiscal year 2008. Of the twelve monthly statements reviewed, all months had finance charges and six months had late fees.

Effect:

Payment of finance charges and late fees result in an ineffective use of Regional Office financial resources.

Cause:

Regional Office staff indicated that credit card bills were not paid timely because staff was late in submitting receipts to support the charges on the credit cards.

Recommendation:

The Regional Office should strengthen its internal controls to ensure that credit card bills are paid in a timely manner.

Management's Response:

The Regional Office of Education will work to ensure that all credit card bills are paid in a timely manner by giving authority to the bookkeepers to work with Regional Office credit card holders in a demonstrative manner to obtain the necessary credit card documentation. This will allow statements to be paid quicker and accurately.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Section II: Financial Statement Findings:

FINDING NO. 08-3 - Inaccurate Expenditure Reports

Federal Program Name and Year: Mathematics and Science Partnership

Project Number: 08-4936-00

CFDA Number: 84.366

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

Amounts submitted on grant expenditure reports to the Illinois State Board of Education should be in agreement with the general ledger.

Condition:

The Regional Office of Education No. 49 did not report expenditures properly for the Mathematics and Science Partnership grant program and the Early Childhood Prevention Initiative grant program. The amount reported for purchased services was understated on the Mathematics and Science Partnership grant program expenditure report by \$17,661. The amount reported for supplies was understated on the Early Childhood Prevention Initiative grant program expenditure report by \$3,999.

Questioned Costs:

N/A

Context:

N/A

Effect:

The expenditure reports that were submitted did not accurately reflect the activity of the period.

Cause:

The Regional Office of Education No. 49 used general ledger account detail that was not complete to prepare the expenditure report.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Section II: Financial Statement Findings:

FINDING NO. 08-3 - Inaccurate Expenditure Reports (Continued)

Recommendation:

The Regional Office of Education No. 49's management should review expenditure reports and their supporting documentation to ensure they are including all expenditures through the date of the report.

Management's Response:

The Regional Office of Education No. 49 shall establish procedures to ensure that all expenditure reports are completed properly and in a timely manner. Bookkeepers and supervisors shall monitor those reports to ensure compliance.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section II: Financial Statement Findings:

FINDING NO. 08-4 - Lack of Documentation and Inadequate Internal Control Over Disbursements (Repeat from 2007 - No. 07-5)

Federal Program Name & Year: (a) Title IV - 21st Century Community Learning Centers, (b) Title IV - 21st Century Community Learning Centers (Edison), (c) Title IV - 21st Century Community Learning Centers (RIHS UTHS)

Project Numbers: (a) 08-4421-08 (b) 08-4421-05 (c) 08-4421-04

CFDA Number: 84.287

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

The Regional Office of Education is responsible for establishing and maintaining an internal control system over disbursements to prevent errors and fraud. Internal controls should exist to ensure that all disbursements are supported with invoices, packing slips, or other appropriate documents.

Condition:

In 2 out of 15 credit card disbursements tested, there were no supporting documents for paid disbursements. In 4 out of 25 Title IV items tested, the Regional Office of Education did not have a signature of approval for expenditures that were paid from the grant program. Three (3) of these 4 items included purchases for expenditures that would normally be paid from general or other non-federal funds, including charges for cleaning services, telephone, and cellular phone charges. In addition to these items for Title IV, there was a movie charge on a hotel invoice that was not reimbursed by the staff.

Questioned Costs:

N/A

Context:

N/A

Effect:

Without obtaining and reviewing supporting documentation for expenditures, unallowable, duplicate payments, or incorrect amounts may be paid.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section II: Financial Statement Findings:

FINDING NO. 08-4 - Lack of Documentation and Inadequate Internal Control Over Disbursements (Repeat from 2007 - No. 07-5) (Continued)

Cause:

The Regional Office of Education did not obtain adequate documentation for disbursements to justify that expenditures were supported and allowable and, if applicable, appropriately charged to grant programs.

Recommendation:

The Regional Office of Education should ensure that all disbursements are supported with invoices, packing slips, or other appropriate documents before payments are made to prevent unallowable, duplicate payments, or incorrect amounts from being paid.

Management's Response:

The Regional Office of Education will establish a purchase order procedure for purchases. Documentation for each purchase order will be filed in an orderly manner to ensure a proper and authentic system of properly authorized payments for each purchase. Invoices, packing slips, and/or other appropriate documents will be reviewed and approved to prevent unallowable expenditures, duplicate payments, or incorrect amounts from being paid. Bookkeepers and supervisors will ensure that the system is followed correctly.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NONCOMPLIANCE:

FINDING NO. 08-3 - Inaccurate Expenditure Reports (finding details on pages 15-16)
FINDING NO. 08-4 - Lack of Documentation and Inadequate Internal Control Over Disbursements (finding details on pages 17-18)

SIGNIFICANT DEFICIENCIES:

FINDING NO. 08-3 - Inaccurate Expenditure Reports (finding details on pages 15-16)
FINDING NO. 08-4 - Lack of Documentation and Inadequate Internal Control Over Disbursements (finding details on pages 17-18)

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Section III: Findings and Questioned Costs for Federal Awards:

FINDING NO. 08-5 - Inadequate Consultation with Private Schools

Federal Program Name & Year: (a) Title IV - 21st Century Community Learning Centers, (b) Title IV - 21st Century Community Learning Centers (Edison), (c) Title IV - 21st Century Community Learning Centers (RIHS UTHS)

Project Numbers: (a) 08-4421-08 (b) 08-4421-05 (c) 08-4421-04

CFDA Number: 84.287

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

The Title IV - 21st Century Community Learning Centers program provides students with academic enrichment opportunities along with activities designed to complement the students' regular academic programs. As required by section 34 CFR sections 299.6 through 299.9, before an agency makes any decision that affects the opportunity of eligible private school children, teachers, and other educational personnel to participate in the program, the agency must engage in timely and meaningful consultation with private school officials.

Condition:

The Regional Office of Education did not conduct timely and meaningful consultation with private school officials for the Title IV - 21st Century Community Learning Centers RIHS UTHS and Edison grants as required by Federal Regulations.

Questioned Costs:

N/A

Context:

N/A

Effect:

The Regional Office of Education was not in compliance with the requirements for the Title IV - 21st Century Community Learning Centers grant regarding consultation of private schools.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section III: Findings and Questioned Costs for Federal Awards:

FINDING NO. 08-5 - Inadequate Consultation with Private Schools (Continued)

Cause:

Since the Regional Office of Education was not aware of the requirement for the Title IV - 21st Century Community Learning Centers RIHS UTHS and Edison grants, they did not consult timely with private schools and some eligible private school children, teachers, and other educational personnel were not made aware of the opportunity to participate in the program.

Recommendation:

The Regional Office of Education should conduct timely and meaningful consultations with private schools regarding decisions that affect the opportunity of private school children, teachers, and other educational personnel to participate in activities associated with the Title IV - 21st Century Community Learning Centers grant program.

Management's Response:

The Regional Office of Education shall conduct timely and meaningful consultations with private schools regarding decisions that affect the opportunity of private school children, teachers, and other educational personnel to participate. This is particularly true with the ROE's Title IV - 21st Century Community Learning Center grants.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Section III: Findings and Questioned Costs for Federal Awards:

FINDING NO. 08-6 - Inadequate Controls Over Cash Management

Federal Program Name & Year: (a) Title IV - 21st Century Community Learning Centers, (b) Title IV - 21st Century Community Learning Centers (Edison), (c) Title IV - 21st Century Community Learning Centers (RIHS UTHS)

Project Numbers: (a) 08-4421-08 (b) 08-4421-05 (c) 08-4421-04

CFDA Number: 84.287

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

The Regional Office of Education (ROE) Accounting Manual states that if dollars from two or more sources of funds (SOF) are combined in one bank account and/or fund, the ROE must allocate, on a reasonable basis, a portion of the interest earned on that bank account or fund to each of those SOF. The allocation should be done no less than monthly when bank statements are received. Once the interest is allocated to the appropriate SOF, certain rules apply to the expenditure of that interest. The *ROE Accounting Manual* states that the rules for allocating and expending interest vary depending on the SOF that generated the interest.

Unless the grant agreement specifically addresses the interest issue and provides otherwise, the following rules would apply.

- The Grant Funds Recovery Act (30 ILCS 705/1 et seq.) states that interest earned on grant funds becomes part of the grant principal and is treated accordingly for all purposes unless the grant agreement and/or the grant regulations provides otherwise. The Act further states that any grant funds not expended (or legally obligated) by the end of the grant period must be returned to the grantor. This applies to State and federal grants.
- Generally, federal rules supersede those of the State (for federal grants only). If a federal rule allows different treatment of interest, then the federal rule would be followed.
- Federal cash management requirements state that grantees and subgrantees shall minimize the time elapsed between the receipt of funds and the expenditure of those funds. The accumulation of interest would indicate excess cash on hand.
- U.S. Department of Education (USDE) regulations appear in 34 Code of Federal Regulations (CFR). Part 80 of 34 CFR is titled: "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments". It is also known as the "Common Rule" because most federal agencies have adopted it in their regulations. The "Common Rule" states that annual interest earned in excess of \$100 on advances of funds must be submitted promptly

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Section III: Findings and Questioned Costs for Federal Awards:

FINDING NO. 08-6 - Inadequate Controls Over Cash Management (Continued)

promptly to the granting agency. The \$100 may be spent on administrative costs. Those administrative costs must be for that grant and within the grant period. Some grants may be exempt from the "Common Rule".

Condition:

The Regional Office of Education earned approximately \$620 in interest on Title IV - 21st Century Learning Centers advancements and did not remit amounts in excess of \$100 to the federal agency on at least a quarterly basis. This amount was calculated by using a method that calculated interest earned on a monthly basis.

Questioned Costs:

Title IV - 21st Century Learning Centers - \$520

Context:

N/A

Effect:

The Regional Office of Education was not in compliance with requirements for the Title IV - 21st Century Learning Centers grant regarding the cash management procedures.

Cause:

The Regional Office of Education did not follow applicable cash management compliance requirements for the Title IV - 21st Century Learning Centers grant and expended funds that were due back to the granting agency.

Recommendation:

The Regional Office of Education should monitor interest earned on federal advances. Any interest amounts in excess of \$100 should be remitted on at least a quarterly basis to the appropriate granting agency as required by rules, regulations, or statutes.

Management's Response:

The Regional Office of Education shall monitor interest earned on federal advances. Any interest amounts in excess of \$100 shall be remitted to the appropriate granting agency as required by rules, regulations, or statutes. Bookkeepers and supervisors shall be made aware of such response.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
June 30, 2008**

FINDING NO. 08-1 - Controls Over Financial Statement Preparation (Repeat from 2007 - No. 07-1)

Condition:

The Regional Office of Education No. 49 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office has five positions that have some direct review, contact and oversight of its financial statements. These individuals will attend training opportunities to enhance their knowledge of the applicable accounting principles and other areas needed to have a sufficient set of internal controls over financial statement preparation.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable James Widdop, Jr., Regional Superintendent

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
June 30, 2008**

FINDING NO. 08-2 - Payment of Finance Charges and Late Fees (Repeat from 2007 - No. 07-3)

Condition:

The Regional Office paid \$1,151 in finance charges and \$467 in late fees on its credit cards in fiscal year 2008. Of the twelve monthly statements reviewed, all months had finance charges and six months had late fees.

Plan:

The Regional Office of Education will work to ensure that all credit card bills are paid in a timely manner by giving authority to the bookkeepers to work with Regional Office credit card holders in a demonstrative manner to obtain the necessary credit card documentation. This will allow statements to be paid quicker and accurately.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable James Widdop, Jr., Regional Superintendent

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
June 30, 2008**

FINDING NO. 08-3 - Inaccurate Expenditure Reports

Condition:

The Regional Office of Education No. 49 did not report expenditures properly for the Mathematics and Science Partnership grant program and the Early Childhood Prevention Initiative grant program. The amount reported for purchased services was understated on the Mathematics and Science Partnership grant program expenditure report by \$17,661. The amount reported for supplies was understated on the Early Childhood Prevention Initiative grant program expenditure report by \$3,999.

Plan:

The Regional Office of Education No. 49 shall establish procedures to ensure that all expenditure reports are completed properly and in a timely manner. Bookkeepers and supervisors shall monitor those reports to ensure compliance.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable James Widdop, Jr., Regional Superintendent

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
June 30, 2008**

FINDING NO. 08-4 - Lack of Documentation and Inadequate Internal Control Over Disbursements (Repeat from 2007 - No. 07-5)

Condition:

In 2 out of 15 credit card disbursements tested, there were no supporting documents for paid disbursements. In 4 out of 25 Title IV items tested, the Regional Office of Education did not have a signature of approval for expenditures that were paid from the grant program. Three (3) of these 4 items included purchases for expenditures that would normally be paid from general or other non-federal funds, including charges for cleaning services, telephone, and cellular phone charges. In addition to these items for Title IV, there was a movie charge on a hotel invoice that was not reimbursed by the staff.

Plan:

The Regional Office of Education will establish a purchase order procedure for purchases. Documentation for each purchase order will be filed in an orderly manner to ensure a proper and authentic system of properly authorized payments for each purchase. Invoices, packing slips, and/or other appropriate documents will be reviewed and approved to prevent unallowable expenditures, duplicate payments, or incorrect amounts from being paid. Bookkeepers and supervisors will ensure that the system is followed correctly.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable James Widdop, Jr., Regional Superintendent

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
June 30, 2008**

FINDING NO. 08-5 - Inadequate Consultation with Private Schools

Condition:

The Regional Office of Education did not conduct timely and meaningful consultation with private school officials for the Title IV - 21st Century Community Learning Centers RIHS UTHS and Edison grants as required by Federal Regulations.

Plan:

The Regional Office of Education shall conduct timely and meaningful consultations with private schools regarding decisions that affect the opportunity of private school children, teachers, and other educational personnel to participate. This is particularly true with the ROE's Title IV - 21st Century Community Learning Center grants.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable James Widdop, Jr., Regional Superintendent

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
June 30, 2008**

FINDING NO. 08-6 - Inadequate Controls Over Cash Management

Condition:

The Regional Office of Education earned approximately \$620 in interest on Title IV - 21st Century Learning Centers advancements and did not remit amounts in excess of \$100 to the federal agency on at least a quarterly basis. This amount was calculated by using a method that calculated interest earned on a monthly basis.

Plan:

The Regional Office of Education shall monitor interest earned on federal advances. Any interest amounts in excess of \$100 shall be remitted to the appropriate granting agency as required by rules, regulations, or statutes. Bookkeepers and supervisors shall be made aware of such response.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable James Widdop, Jr., Regional Superintendent

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2008

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
07-1	Controls Over Financial Statement Preparation	Repeated
07-2	Employee Travel and Use of ROE Credit Cards	Resolved
07-3	Payment of Finance Charges and Sales Taxes	Repeated
07-4	Meal Purchases	Resolved
07-5	Inadequate Internal Control Over Disbursements	Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

Rock Island County Regional Office of Education No. 49 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with Rock Island County Regional Office of Education No. 49's financial statements, which follow.

2008 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$464,169 in fiscal year 2007 to \$502,416 in fiscal year 2008. The reason for the change is attributable to an increase in on-behalf payments. General Fund expenditures also increased from \$464,169 in fiscal year 2007 to \$502,126 in fiscal year 2008. Again, the change is mainly due to an increase in on-behalf payments. Rock Island County Regional Office of Education No. 49's General Fund balance increased in fiscal year 2008 to \$290 from the 2007 balance of \$-0-. The General Fund of Rock Island County Regional Office of Education No. 49 consists only of the ROE Operations grant, which increased this year by 3%.
- Institute Fund revenues decreased from \$47,661 in fiscal year 2007 to \$39,222 in fiscal year 2008. The decrease was primarily due to a downtrend in the certificate registration cycle. Expenses in the Institute Fund increased from \$34,192 in fiscal year 2007 to \$36,547 in fiscal year 2008. This increase was primarily due to inflationary costs of Institute Fund workshop activities.
- Education Fund revenues increased from \$3,282,329 in fiscal year 2007 to \$4,133,993 in fiscal year 2008. Expenses also increased from \$3,282,329 in fiscal year 2007 to \$4,083,783 in fiscal year 2008. The increase in revenues and expenses in the Education Fund is due to additional Early Childhood grants with increased revenue and expenses.
- Enterprise Workshop Fund revenues decreased from \$921,903 in fiscal year 2007 to \$894,444 in fiscal year 2008. This decrease was primarily due to a decrease in workshop participation.
- Government-wide revenues increased 18% from \$4,728,306 in fiscal year 2007 to \$5,584,908 in fiscal year 2008. Government-wide expenses increased 20% from \$4,682,757 in fiscal year 2007 to \$5,596,041 in fiscal year 2008.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

USING THIS ANNUAL REPORT

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

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

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

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

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

Required Supplemental Information further explains and supports the financial statements with information about the Illinois Municipal Retirement Fund Schedule of Funding Progress.

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

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

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

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

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

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

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

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

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

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

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

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

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

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Government-Wide Financial Analysis

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of Rock Island County Regional Office of Education No. 49, assets exceeded liabilities by \$917,512 as of June 30, 2008.

A portion of Rock Island County Regional Office of Education No. 49's net assets (9%) reflects its investment in capital assets (e.g., furniture and equipment), less any related debt used to acquire those assets that is still outstanding. Although Rock Island County Regional Office of Education No. 49's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

The following table presents a summary of Rock Island County Regional Office of Education No. 49's net assets for the fiscal year ended June 30, 2008 and 2007.

2008

	Governmental Activities	Business- Type Activities	Total
Current assets	\$ 707,393	\$ 538,436	\$ 1,245,829
Capital assets, net of accumulated depreciation	45,045	35,295	80,340
Total assets	<u>752,438</u>	<u>573,731</u>	<u>1,326,169</u>
Current liabilities	<u>408,657</u>	<u>-</u>	<u>408,657</u>
Net assets			
Invested in capital assets, net of related debt	45,045	35,295	80,340
Unrestricted	156,856	538,436	695,292
Restricted for teacher professional development	<u>141,880</u>	<u>-</u>	<u>141,880</u>
Total net assets	<u>\$ 343,781</u>	<u>\$ 573,731</u>	<u>\$ 917,512</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

<u>2007</u>	Governmental	Business-	
	Activities	Type	Total
	<u> </u>	Activities	<u> </u>
Current assets	\$ 422,848	\$ 691,338	\$ 1,114,186
Capital assets, net of accumulated depreciation	<u>58,925</u>	<u>28,689</u>	<u>87,614</u>
Total assets	<u>481,773</u>	<u>720,027</u>	<u>1,201,800</u>
Current liabilities	<u>270,307</u>	<u>2,848</u>	<u>273,155</u>
Net assets			
Invested in capital assets, net of related debt	58,925	28,689	87,614
Unrestricted	13,336	688,490	701,826
Restricted for teacher professional development	<u>139,205</u>	<u>-</u>	<u>139,205</u>
Total net assets	<u>\$ 211,466</u>	<u>\$ 717,179</u>	<u>\$ 928,645</u>

The largest portion of Rock Island County Regional Office of Education No. 49's net assets is unrestricted. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements were \$695,292 and \$701,826 for 2008 and 2007, respectively. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

Changes in net assets. Rock Island County Regional Office of Education No. 49's total revenue for the fiscal year ended June 30, 2008 was \$5,584,908. The total cost of all programs and services was \$5,596,041. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2008 and 2007.

<u>2008</u>	Governmental	Business-	
	Activities	Type	Total
	<u> </u>	Activities	<u> </u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 894,444	\$ 894,444
Operating grants and contributions	3,880,827	-	3,880,827
General revenues			
Local sources	413,996	-	413,996
State sources	50,714	-	50,714
On-behalf payments	344,927	-	344,927
Transfers	<u>(35,382)</u>	<u>35,382</u>	<u>-</u>
Total revenues	<u>4,655,082</u>	<u>929,826</u>	<u>5,584,908</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

2008

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Expenses:			
Instructional services			
Salaries	\$ 1,261,429	\$ 122,908	\$ 1,384,337
Benefits	138,934	61,636	200,570
Purchased services	2,527,888	720,453	3,248,341
Supplies and materials	147,014	28,256	175,270
Other objects	2,044	20	2,064
Payments to other governments	193,544	-	193,544
Depreciation	30,166	14,478	44,644
Capital outlay	2,344	-	2,344
Administrative			
On-behalf payments	<u>344,927</u>	<u>-</u>	<u>344,927</u>
Total expenses	<u>4,648,290</u>	<u>947,751</u>	<u>5,596,041</u>
Change in net assets	6,792	(17,925)	(11,133)
Net assets, beginning of year	211,466	717,179	928,645
Fund reclassification	<u>125,523</u>	<u>(125,523)</u>	<u>-</u>
Net assets, end of year	<u>\$ 343,781</u>	<u>\$ 573,731</u>	<u>\$ 917,512</u>

Operating grants and contributions account for 70% of the total revenue. Rock Island County Regional Office of Education No. 49's expenses primarily relate to instructional services, which account for 94% of the total expenses.

2007

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 921,903	\$ 921,903
Operating grants and contributions	3,427,573	-	3,427,573
General revenues			
Local sources	57,605	-	57,605
State sources	10,674	-	10,674
On-behalf payments	<u>310,551</u>	<u>-</u>	<u>310,551</u>
Total revenues	<u>3,806,403</u>	<u>921,903</u>	<u>4,728,306</u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

2007

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Expenses:			
Instructional services			
Salaries	\$ 906,664	\$ 361,161	\$ 1,267,825
Benefits	88,452	34,896	123,348
Purchased services	2,128,890	422,847	2,551,737
Supplies and materials	144,953	27,959	172,912
Other objects	1,000	-	1,000
Payments to other governments	182,957	15,072	198,029
Depreciation	32,054	11,454	43,508
Capital outlay	13,847	-	13,847
Administrative			
On-behalf payments	<u>310,551</u>	<u>-</u>	<u>310,551</u>
Total expenses	<u>3,809,368</u>	<u>873,389</u>	<u>4,682,757</u>
Change in net assets	(2,965)	48,514	45,549
Net assets, beginning of year	<u>214,431</u>	<u>668,665</u>	<u>883,096</u>
Net assets, end of year	<u>\$ 211,466</u>	<u>\$ 717,179</u>	<u>\$ 928,645</u>

Operating grants and contributions account for 72% of the total revenue. Rock Island County Regional Office of Education No. 49's expenses primarily relate to instructional services, which account for 93% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$4,655,082 and \$3,806,403 and expenses were \$4,648,290 and \$3,809,368 for 2008 and 2007, respectively.

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

<u>2008</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services		
Salaries	\$ 1,261,429	\$ (120,175)
Benefits	138,934	(13,236)
Purchased services	2,527,888	(240,830)
Supplies and materials	147,014	(14,006)
Other objects	2,044	(195)
Payments to other governments	193,544	(18,439)
Depreciation	30,166	(30,166)
Capital outlay	2,344	14,511
Administrative		
On-behalf payments	<u>344,927</u>	<u>(344,927)</u>
Total expenses	<u>\$ 4,648,290</u>	<u>\$ (767,463)</u>
<u>2007</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services		
Salaries	\$ 906,664	\$ (14,940)
Benefits	88,452	(1,458)
Purchased services	2,128,890	(35,080)
Supplies and materials	144,953	(2,389)
Other objects	1,000	(16)
Payments to other governments	182,957	(3,015)
Depreciation	32,054	(32,054)
Capital outlay	13,847	17,708
Administrative		
On-behalf payments	<u>310,551</u>	<u>(310,551)</u>
Total expenses	<u>\$ 3,809,368</u>	<u>\$ (381,795)</u>

- The cost of all governmental activities was \$4,648,290 and \$3,809,368 for 2008 and 2007, respectively.
- Federal and state governments subsidized certain governmental activities with grants and contributions of \$3,880,827 and \$3,427,573 for 2008 and 2007, respectively.

Net cost of governmental activities (\$767,463), was financed by general revenues, which are made up of primarily local and state sources (\$422,536) and on-behalf payments (\$344,927) for 2008.

Net cost of governmental activities (\$381,795), was financed by general revenues, which are made up of primarily local and state sources (\$68,279) and on-behalf payments (\$310,551) for 2007.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Business-Type Activities

Revenues for business-type activities were \$894,444 and \$921,903 and expenses were \$947,751 and \$873,389 for 2008 and 2007, respectively. Rock Island County Regional Office of Education No. 49's business-type activities include the Workshop Fund. For the business-type activities, revenues are comprised of charges for service.

Business-type revenues decreased, while business-type expenditures increased due to workshop participation revenue decreasing while expenses continued to rise.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of Rock Island County Regional Office of Education No. 49 as a whole is reflected in its governmental funds, as well. As Rock Island County Regional Office of Education No. 49 completed the year, its governmental funds reported a combined fund balance of \$298,736, above last year's ending fund balance of \$152,541.

Governmental Fund Highlights

The Institute Fund balance increased from \$139,205 in 2007 to \$141,880 in 2008. The increase was primarily due to a very small net income present in the Institute Fund.

The Education Fund balance increased from \$-0- in 2007 to \$140,351 in 2008. The main reason for the increase is due to delayed State grant payments to vendors into FY08 causing increased balance.

Proprietary Fund Highlights

Workshop Fund net assets decreased from \$717,179 at June 30, 2007 to \$573,731 at June 30, 2008, representing a decrease of approximately 20%. There are two reasons for the decrease. The first being that during the fiscal year, a reclassification of funds was done where two programs were moved out of the workshops fund and into the education fund. This accounted for approximately 18% of the decrease. The rest is due to decreased workshop participation to obtain recertification credits through a wider variety of non-ROE sources.

BUDGETARY HIGHLIGHTS

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

CAPITAL ASSETS

As of June 30, 2008, Rock Island County Regional Office of Education No. 49 had invested \$80,340 in capital assets, including furniture and equipment. Total depreciation expense for the year was \$44,644.

The following schedules present capital asset balances net of depreciation for the fiscal years ended June 30, 2008 and 2007.

<u>2008</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 45,045	\$ 35,295	\$ 80,340
<u>2007</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 58,925	\$ 28,689	\$ 87,614

Additional information on Rock Island County Regional Office of Education No. 49's capital assets can be found in Note 4 on page 65 of this report.

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

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

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

- The State of Illinois is in a dismal financial position, with a possible \$5 -12 billion deficit, which could reflect negatively on the ability of the Regional Office of Education to obtain the grants necessary for stable or continued growth.
- The United States has been in and continues through a financial recession, which may positively or negatively affect the workshop participation by districts as well as grant availability of Federal education dollars.
- All and all, it will take a steady hand to navigate the education funding waters for the coming years.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

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

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

BASIC FINANCIAL STATEMENTS

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF NET ASSETS
June 30, 2008

	<u>Primary Government</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 633,166	\$ 499,326	\$ 1,132,492
Due from other governments	74,227	-	74,227
Other assets	-	39,110	39,110
Total current assets	<u>707,393</u>	<u>538,436</u>	<u>1,245,829</u>
Noncurrent assets:			
Capital assets, being depreciated, net	<u>45,045</u>	<u>35,295</u>	<u>80,340</u>
Total assets	<u>752,438</u>	<u>573,731</u>	<u>1,326,169</u>
LIABILITIES			
Current liabilities:			
Accounts payable	175,569	-	175,569
Deferred revenue	<u>233,088</u>	<u>-</u>	<u>233,088</u>
Total liabilities	<u>408,657</u>	<u>-</u>	<u>408,657</u>
NET ASSETS			
Invested in capital assets, net of related debt	45,045	35,295	80,340
Unrestricted	156,856	538,436	695,292
Restricted for teacher professional development	<u>141,880</u>	<u>-</u>	<u>141,880</u>
Total net assets	<u>\$ 343,781</u>	<u>\$ 573,731</u>	<u>\$ 917,512</u>

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2008

EXHIBIT B

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Instructional services:						
Salaries	\$ 1,261,429	\$ -	\$ 1,141,254	\$ (120,175)	\$ -	\$ (120,175)
Benefits	138,934	-	125,698	(13,236)	-	(13,236)
Purchased services	2,527,888	-	2,287,058	(240,830)	-	(240,830)
Supplies and materials	147,014	-	133,008	(14,006)	-	(14,006)
Other objects	2,044	-	1,849	(195)	-	(195)
Payments to other governments	193,544	-	175,105	(18,439)	-	(18,439)
Depreciation	30,166	-	-	(30,166)	-	(30,166)
Capital outlay	2,344	-	16,855	14,511	-	14,511
Administrative:						
On-behalf payments	344,927	-	-	(344,927)	-	(344,927)
Total governmental activities	4,648,290	-	3,880,827	(767,463)	-	(767,463)
Business-type activities:						
Other	947,751	894,444	-	-	(53,307)	(53,307)
Total primary government	\$ 5,596,041	\$ 894,444	\$ 3,880,827	(767,463)	(53,307)	(820,770)
General revenues:						
Local sources				413,996	-	413,996
State sources				50,714	-	50,714
On-behalf payments				344,927	-	344,927
Transfers				(35,382)	35,382	-
Total general revenues and transfers				774,255	35,382	809,637
CHANGES IN NET ASSETS				6,792	(17,925)	(11,133)
NET ASSETS, BEGINNING OF YEAR				211,466	717,179	928,645
FUND RECLASSIFICATION				125,523	(125,523)	-
NET ASSETS, END OF YEAR	\$ 343,781			\$ 573,731	\$ 917,512	

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

	Special Revenue					Total Governmental Funds
	General Fund	Institute Fund	Education Fund	Nonmajor Funds	Other Funds	
ASSETS						
Cash and cash equivalents	\$ 290	\$ 141,880	\$ 475,101	\$ 15,895	\$ -	\$ 633,166
Due from other governments	-	-	73,907	320	-	74,227
TOTAL ASSETS	<u>\$ 290</u>	<u>\$ 141,880</u>	<u>\$ 549,008</u>	<u>\$ 16,215</u>	<u>\$ -</u>	<u>\$ 707,393</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	-	-	\$ 175,569	-	-	\$ 175,569
Deferred revenue	-	-	233,088	-	-	233,088
Total liabilities	-	-	<u>408,657</u>	-	-	<u>408,657</u>
FUND BALANCES						
Unreserved, reported in:						
General fund	290	-	-	-	-	290
Special revenue funds	-	141,880	140,351	16,215	-	298,446
Total fund balances	<u>290</u>	<u>141,880</u>	<u>140,351</u>	<u>16,215</u>	<u>-</u>	<u>298,736</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 290</u>	<u>\$ 141,880</u>	<u>\$ 549,008</u>	<u>\$ 16,215</u>	<u>\$ -</u>	<u>\$ 707,393</u>

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2008**

Total fund balances - governmental funds (page 48)	\$ 298,736
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Amounts reported for governmental activities in the
Statement of Net Assets are different because:

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

<u>45,045</u>

Net assets of governmental activities (page 46)	<u><u>\$ 343,781</u></u>
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The accompanying notes are an integral part of the financial statements.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2008

	Special Revenue					Total Governmental Funds
	General Fund	Institute Fund	Education Fund	Nonmajor Funds	Other Funds	
REVENUES:						
Local sources	\$ -	\$ 39,222	\$ 361,707	\$ 13,067	\$ 413,996	\$ 413,996
State sources	157,489	-	3,027,650	1,766	3,186,905	3,186,905
Federal sources	-	-	744,636	-	744,636	744,636
On-behalf payments	344,927	-	-	-	344,927	344,927
Total revenues	502,416	39,222	4,133,993	14,833	4,690,464	4,690,464
EXPENDITURES:						
Current:						
Education:						
Salaries	83,428	-	1,178,001	-	1,261,429	1,261,429
Benefits	12,938	-	125,996	-	138,934	138,934
Purchased services	19,553	34,719	2,465,511	8,105	2,527,888	2,527,888
Supplies and materials	7,561	1,828	133,946	3,679	147,014	147,014
Other objects	1,874	-	-	170	2,044	2,044
Payments to other governments	31,845	-	161,699	-	193,544	193,544
On-behalf payments	344,927	-	-	-	344,927	344,927
Capital outlay	-	-	18,630	-	18,630	18,630
Total expenditures	502,126	36,547	4,083,783	11,954	4,634,410	4,634,410
EXCESS OF REVENUES OVER EXPENDITURES	290	2,675	50,210	2,879	56,054	56,054
OTHER FINANCING USES:						
Transfers out	-	-	(35,382)	-	(35,382)	(35,382)
NET CHANGE IN FUND BALANCES	290	2,675	14,828	2,879	20,672	20,672
FUND BALANCE, BEGINNING OF YEAR	-	139,205	-	13,336	152,541	152,541
FUND RECLASSIFICATION	-	-	125,523	-	125,523	125,523
FUND BALANCE, END OF YEAR	\$ 290	\$ 141,880	\$ 140,351	\$ 16,215	\$ 298,736	\$ 298,736

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2008**

Net change in fund balances (page 50) \$ 20,672

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

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

Capital outlays	\$	16,286	
Depreciation expense		(30,166)	(13,880)

Change in net assets of governmental activities (page 47) \$ 6,792

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008

	Enterprise Fund <u>Workshops</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 499,326
Other assets	39,110
Total current assets	538,436
Noncurrent assets:	
Capital assets, net of accumulated depreciation	35,295
Total assets	573,731
LIABILITIES	
None	-
NET ASSETS	
Invested in capital assets, net of related debt	35,295
Unrestricted	538,436
Total net assets	\$ 573,731

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2008

	Enterprise Fund <u>Workshops</u>
Operating revenues:	
Charges for services	\$ <u>894,444</u>
Operating expenses:	
Current:	
Education:	
Salaries	122,908
Benefits	61,636
Purchased services	720,453
Supplies and materials	28,256
Other objects	20
Depreciation expense	14,478
Total operating expenses	<u>947,751</u>
Operating loss	(53,307)
Transfers in	<u>35,382</u>
Change in net assets	(17,925)
Total net assets - beginning	717,179
Fund reclassification	<u>(125,523)</u>
Total net assets - ending	<u>\$ 573,731</u>

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2008

	<u>Enterprise Fund Workshops</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from workshops	\$ 954,736
Payments to suppliers and providers of goods and services	(751,577)
Payments to employees	(184,544)
Net cash provided by operating activities	18,615
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	35,382
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(21,084)
NET INCREASE IN CASH AND CASH EQUIVALENTS	32,913
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	591,936
TRANSFER DUE TO FUND RECLASSIFICATION	(125,523)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 499,326
Reconciliation of operating income to net cash provided by (used for) operating activities:	
Operating loss	\$ (53,307)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	14,478
Change in assets and liabilities:	
Decrease in other assets	60,292
Decrease in accounts payable	(2,848)
Net cash provided by operating activities	\$ 18,615

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
June 30, 2008

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>41,887</u>
LIABILITIES	
Due to others	\$ 9,353
Due to other governments and agencies	<u>32,534</u>
Total liabilities	<u>\$ 41,887</u>

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rock Island County Regional Office of Education No. 49 was created when an Educational Service Region became a Regional Office of Education on August 7, 1995. The Rock Island County Regional Office of Education No. 49 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education encompasses Rock Island County, Illinois. A Regional Superintendent of Schools serves as Chief Administrative Officer of Rock Island County Regional Office of Education No. 49 and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The functions of the Rock Island County Regional Office of Education No. 49 also include, but are not limited to, the following:

- Processing teachers' certificates;
- Teaching initial and refresher classes for school bus drivers within Rock Island County Regional Office of Education No. 49;
- Review life/safety requirements for schools in conjunction with the State of Illinois;
- Issuing newsletters regarding new Illinois life/safety requirements;
- Monitoring compliance with State laws and Department of Education policies and procedures;
- Providing directions to teachers and school officials on science, art, and teaching methods;
- Implementing the State Board of Education's Policy Programs; and
- Encouraging camaraderie among teachers through the teachers' institute.

The Regional Office of Education No. 49's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental agencies of this type.

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

The Rock Island County Regional Office of Education No. 49's reporting entity includes all related organizations for which it exercises oversight responsibility.

The Rock Island County Regional Office of Education No. 49 has developed criteria to determine whether outside agencies with activities which benefit the citizens of Rock Island County Regional Office of Education No. 49, including joint agreements which serve pupils from numerous school districts, should be included within its financial reporting entity. The criteria include but are not limited to, whether Rock Island County Regional Office of Education No. 49 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of Rock Island County Regional Office of Education No. 49. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by intergovernmental and local revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents Rock Island County Regional Office of Education No. 49's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for any debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management that can be removed or modified.

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The General Fund is the operating fund of Rock Island County Regional Office of Education No. 49. The General Fund accounts for all financial resources except those required to be accounted for in another fund.

The Institute Fund is used to account for the stewardship of the assets held in trust for the benefit of Rock Island County Regional Office of Education No. 49's teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

The Education Fund is used to account for State and Federal grant monies received for, and payment of, administering numerous grant awards which include:

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

Title IV - 21st Century - RIHS UTHS - to account for grant monies received for, and payment of, the 21st Century program at Rock Island High School and United Township High School.

Title IV - 21st Century Community Learning Centers - to account for grant monies received for, and payment of, the 21st Century program.

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

Technology Program - to account for grant monies received for, and payment of, the HUB/Learning Technology Center Technology Program.

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

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Early Childhood Pre-K - to account for grant monies received for, and payment of, expenses of early childhood education for children preparing for kindergarten.

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

Early Childhood Teacher Preparation - to account for grant monies received for, and payment of, expenses for teacher preparation programs.

Beginning Teacher Mentoring - used to account for grant monies received for, and expenditures incurred to, support programs associated with assisting new teachers.

Department of Commerce and Economic Opportunity (DCEO) Grant – used to account for grant monies received for and expenditures incurred for the legislator-initiated projects for three local school districts.

Early Childhood Prevention Initiative - used to account for grant monies received for and expenditures incurred to, address the needs of at-risk families with children ranging from birth to 3 years of age.

Early Childhood Pre-School for All - used to account for grant monies received for and expenditures incurred to, address the needs of at-risk families with children ranging from 3-5 years of age.

RESPRO Grant - used to account for grant monies received for and expenditures incurred to, provide technical assistance to districts and schools in academic status.

Tyson Settlement Grant - used to account for settlement monies received for, and expenses incurred to, support environmental programs.

LAN Grant - used to account for grant monies received for and expenditures incurred to, support a tutoring program that serves at risk students and chronic truant children.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Supervisory Expense - to account for monies from the State of Illinois for expenditures incurred providing supervisory services in the County.

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

Rock Island County Regional Office of Education No. 49 reports fiduciary funds which focus on net assets and changes in net assets. Rock Island County Regional Office of Education No. 49's fiduciary funds include the following:

Agency Funds - Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The Regional Superintendent maintains the following Agency Funds:

Distributive - used to account for funds distributed by the Illinois State Board of Education to Rock Island County Regional Office of Education No. 49. Rock Island County Regional Office of Education No. 49 is responsible for forwarding these monies to local school districts and private schools in Rock Island County.

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

C. Measurement Focus and Basis of Accounting

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by Rock Island County Regional Office of Education No. 49.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Capital asset acquisitions are reported as expenditures in governmental funds.

Under the terms of grant agreements, Rock Island County Regional Office of Education No. 49 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is Rock Island County Regional Office of Education No. 49's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

In accordance with GASB 20, the proprietary fund of Rock Island County Regional Office of Education No. 49 applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, and Accounting Principles Board Opinions.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of Rock Island County Regional Office of Education No. 49's Enterprise Fund are charges to customers for services provided in workshops. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

D. Assets, Liabilities and Fund Equity

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

Cash and investments - The cash and investment balances of Rock Island County Regional Office of Education No. 49 are valued at cost.

Capital assets - Capital assets, which include furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by Rock Island County Regional Office of Education No. 49 as assets with an initial, individual cost in excess of \$500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 5-10 years.

Deferred revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unexpended grant proceeds.

Fund equity - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restricted net assets - In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting

Rock Island County Regional Office of Education No. 49 does not adopt a formal budget for all revenues and expenditures of the governmental funds and is not required to do so. Certain programs administered by the Rock Island County Regional Office of Education No. 49 are subject to budget approval by the State of Illinois (ROE Operations, Mathematics and Science Partnership, Title IV - 21st Century - RIHS UTHS, Title IV - 21st Century Community Learning Centers, Title IV - 21st Century - Edison, Technology Program, Regional Safe Schools Program, Truants' Alt. and Optional Education, Early Childhood Ages 0-3, Early Childhood Ages 3-5, Early Childhood Pre-K, McKinney Education for Homeless Children, Early Childhood Teacher Preparation, Beginning Teacher Mentoring, Early Childhood Prevention Initiative, and Early Childhood Pre-School for All).

NOTE 2 - CASH AND CASH EQUIVALENTS

The deposit of Rock Island County Regional Office of Education No. 49 monies is governed by the provisions of the Illinois Compiled Statutes.

Deposits

At June 30, 2008, the carrying amount of Rock Island County Regional Office of Education No. 49's deposits was \$1,174,379 and the bank balance was \$1,373,755.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, Rock Island County Regional Office of Education No. 49's deposits may not be returned. Rock Island County Regional Office of Education No. 49 does not have a deposit policy for custodial credit risk. As of June 30, 2008, all of Rock Island County Regional Office of Education No. 49's deposits were covered by FDIC insurance of \$250,000 at June 30, 2008 and additionally covered by collateral held by the financial institution in Rock Island County Regional Office of Education No. 49's name.

A reconciliation of cash and cash equivalents as shown on the combined balance sheet for the primary government is as follows:

	<u>Carrying Amount</u>
Cash and cash equivalents - Governmental Activities	\$ 633,166
Cash and cash equivalents - Business-type Activities	499,326
Cash and cash equivalents - Agency	<u>41,887</u>
Total	<u>\$1,174,379</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 3 - DUE FROM/TO OTHER GOVERNMENTS

Amounts due from/to other governments as of June 30, 2008 are as follows:

	<u>Due From</u>	<u>Due To</u>
Education Fund		
Title IV - 21st Century Community Learning Centers		
Due to ISBE	\$ 11,447	\$ -
Technology Program		
Due from ISBE	10,532	-
RESPRO		
Due to state governments	51,928	-
Other Nonmajor Funds		
General Educational Development		
Due from local governments	280	-
School Bus Driver Training		
Due from local governments	40	-
Agency Fund		
Distributive		
Due to various local governmental agencies	<u>-</u>	<u>32,534</u>
Total	<u><u>\$ 74,227</u></u>	<u><u>\$ 32,534</u></u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008 is as follows:

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
Governmental activities:				
Capital assets being depreciated:				
Furniture and equipment	\$ 282,611	\$ 16,286	\$ -	\$ 298,897
Accumulated depreciation	<u>(223,686)</u>	<u>(30,166)</u>	<u>-</u>	<u>(253,852)</u>
Governmental activities capital assets, net	<u>\$ 58,925</u>	<u>\$ (13,880)</u>	<u>\$ -</u>	<u>\$ 45,045</u>
Business-type activities:				
Capital assets being depreciated:				
Furniture and equipment	\$ 98,798	\$ 21,084	\$ -	\$ 119,882
Accumulated depreciation	<u>(70,109)</u>	<u>(14,478)</u>	<u>-</u>	<u>(84,587)</u>
Business-type activities capital assets, net	<u>\$ 28,689</u>	<u>\$ 6,606</u>	<u>\$ -</u>	<u>\$ 35,295</u>
Depreciation expense was charged as follows:				
Governmental activities:				
Instruction:				
Depreciation expense				<u>\$ 30,166</u>
Business-type activities:				
Other:				
Depreciation expense				<u>\$ 14,478</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 5 - EMPLOYEE BENEFIT PLAN

Rock Island County Regional Office of Education No. 49's employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by Rock Island County and the Rock Island County Regional Office of Education No. 49 through grant monies on behalf of the Rock Island County Regional Office of Education No. 49 staff employees and grant coordinators.

Rock Island County is a participating member of the Illinois Municipal Retirement Fund whose coverage includes all Rock Island County Regional Office of Education No. 49 employees who:

- a. Occupy a job normally requiring 1,000 hours or more per year;
- b. Are paid on a regular payroll from Rock Island County or Rock Island County Regional Office of Education No. 49 funds;
- c. Were under age sixty when first entering employment; and
- d. Are not covered by another state created retirement system for the same service.

Employees not qualifying above are considered "nonparticipating employees" and are covered under Social Security.

The Regional Superintendent and Assistant Regional Superintendent of Rock Island County Regional Office of Education No. 49 are paid by the State of Illinois. Certain staff employees of Rock Island County Regional Office of Education No. 49's office are employed and paid by Rock Island County (other support staff and grant coordinators are paid by Rock Island County Regional Office of Education No. 49 through grant monies). Rock Island County Regional Office of Education No. 49 has no separate employee benefit plan.

Illinois Municipal Retirement Fund

Plan Description. The Regional Office of Education No. 49's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 49 plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education No. 49 Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2007 was 9.72 percent of annual covered payroll. The Regional Office of Education No. 49 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2007, the Regional Office of Education No. 49's annual pension cost of \$53,308 for the Regular plan was equal to the Regional Office of Education No. 49's required and actual contributions.

TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/07	\$ 53,308	100%	\$ -
12/31/06	49,329	100%	-
12/31/05	30,938	100%	-

The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education No. 49 Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Regional Office of Education No. 49 Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

Funded Status and Funding Progress. As of December 31, 2007, the most recent actuarial valuation date, the Regular plan was 98.84 percent funded. The actuarial accrued liability for benefits was \$349,925 and the actuarial value of assets was \$358,964, resulting in an overfunded actuarial accrued liability (UAAL) of \$9,039. The covered payroll (annual payroll of active employees covered by the plan) was \$548,433 and since the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 6 - RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

The Regional Office of Education participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2008, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The Regional Office of Education No. 49 THIS Fund contribution was 0.63 percent during the year ended June 30, 2008, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education No. 49's TRS-covered employees.

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 49. For the year ended June 30, 2008, the State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the Regional Office of Education No. 49 recognized revenue and expenditures of \$58,068 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007 and June 30, 2006 the State of Illinois contribution rates as percentages of creditable earnings were 9.78 percent (\$64,282) and 7.06 percent (\$53,009), respectively.

The state contributions to TRS for the years ended June 30, 2008 were based on an actuarial formula. The state contributions for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined.

Rock Island County Regional Office of Education No. 49 makes other types of employer contributions directly to TRS.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 6 - RETIREMENT PLANS (CONTINUED)

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contribution for the year ended June 30, 2008 was \$3,583. Contributions for the years ending June 30, 2007, and June 30, 2006, were \$3,966 and \$3,271, respectively.
- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 49, there is a statutory requirement for the Regional Office of Education No. 49 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in 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 for TRS. For the year ended June 30, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2007, the employer pension contribution was 9.78 percent of salaries paid from those funds. For the year ended June 30, 2006, the employer pension contribution was 7.06 percent of salaries paid from those funds. For the year ended June 30, 2008, salaries totaling \$-0- were paid from federal and special trust funds that required employer contributions of \$-0-. For the years ended June 30, 2007 and June 30, 2006, required Regional Office of Education No. 49 contributions were \$7,240 and \$6,024 in contributions, respectively.
- **Early Retirement Option.** The Regional Office of Education No. 49 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004, a "Pipeline ERO" program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies in the Pipeline ERO). Under the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the years ended June 30, 2008, June 30, 2007, and June 30, 2006, the Regional Office of Education No. 49 paid no employer contributions under the Early Retirement Option.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 6 - RETIREMENT PLANS (CONTINUED)

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS.
 - If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases up to 6 percent. For the years ended June 30, 2008, June 30, 2007, and June 30, 2006, the Regional Office of Education No. 49 did not make any contributions to TRS for salary increases in excess of 6 percent.
 - If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.62 percent of salary during the year ended June 30, 2008). For the years ended June 30, 2008, June 30, 2007, and June 30, 2006, the Regional Office of Education No. 49 did not make any contributions to TRS for sick leave days granted in excess of normal annual allotment.

TRS financial information, an explanation of TRS' benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2007. The report for the year ended June 30, 2008, is expected to be available in late 2008. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.trs.state.il.us.

NOTE 7 - INTEREST EARNINGS ON PUBLIC FUNDS

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

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 7 - INTEREST EARNINGS ON PUBLIC FUNDS (CONTINUED)

At June 30, 2008, undistributed interest earnings credited to other governments and organizations are as follows:

State and Federal Aid Distributive Fund	<u>\$ 29,518</u>
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Interest earnings credited to other governments and organizations are distributed in cash or in lieu of cash and are used to pay for inservice training pursuant to agreements signed by the other governments and organizations with the Regional Superintendent.

NOTE 8 - ON-BEHALF PAYMENTS

The salaries and fringe benefits of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois.

The breakdown of on-behalf payments for the year ended June 30, 2008 is as follows:

Regional Superintendent salary	\$ 105,761
Regional Superintendent benefits (Includes State paid insurance)	23,400
Assistant Regional Superintendent salary	95,012
Assistant Regional Superintendent benefits (Includes State paid insurance)	22,470
County On-behalf payments	40,216
TRS On-behalf payments	<u>58,068</u>
Total	<u>\$ 344,927</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.

NOTE 9 - DEFICIT FUND BALANCES

At June 30, 2008, the following funds had deficit fund balances. They are expected to correct themselves in 2008, through payments from the State and transfers from local funds.

Education Fund	
Regional Safe Schools Program	\$ (898)
Early Childhood Ages 3-5	(2,997)
Early Childhood Pre-K	(3,118)

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 10 - TRANSFERS

The detail of interfund transfers for the year ended June 30, 2008 is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Education Fund RESPRO	\$ -	\$ 35,382
Proprietary Fund Workshops	<u>35,382</u>	<u>-</u>
Total	<u>\$ 35,382</u>	<u>\$ 35,382</u>

NOTE 11 - NEW PRONOUNCEMENTS

In 2008, Rock Island County Regional Office of Education No. 49 adopted Governmental Accounting Standards Board (GASB) Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 50, *Pension Disclosures an amendment of GASB Statements No. 25 and No. 27*. The Regional Office of Education implemented these standards during the current year; however, there was no significant impact on the financial statements.

NOTE 12 - FUND RECLASSIFICATIONS

The Regional Office of Education No. 49 has reclassified funds, which were previously reported under the Proprietary Fund, to the Education Fund. Management believes this more appropriately reflects the purpose of those funds. The impact of the fund reclassifications is an increase in the Governmental Fund and a related decrease in the Proprietary Fund of \$125,523.

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

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF FUNDING PROGRESS - IMRF (Unaudited)
June 30, 2008

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	\$ 358,964	\$ 349,925	\$ (9,039)	102.58%	\$ 548,433	0.00%
12/31/06	424,950	448,588	23,638	94.73%	535,018	4.42%
12/31/05	342,617	366,348	23,731	93.52%	457,670	5.19%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$386,248. On a market basis, the funded ratio would be 110.38 percent.

***Digest of Changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study. The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and more early retirements are expected to occur.

These financial statements should be read only in connection with
the accompanying notes to financial statements.

OTHER SUPPLEMENTAL INFORMATION

SCHEDULE 1

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND - ROE OPERATIONS
 Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
State sources	\$ 157,489	\$ 157,489	\$ 157,489	\$ -
On-behalf payments	-	-	344,927	344,927
Total revenues	<u>157,489</u>	<u>157,489</u>	<u>502,416</u>	<u>344,927</u>
EXPENDITURES:				
Current:				
Education:				
Salaries	82,000	82,000	83,428	(1,428)
Benefits	12,000	12,000	12,938	(938)
Purchased services	21,626	21,626	19,553	2,073
Supplies and materials	8,018	8,018	7,561	457
Other objects	2,000	2,000	1,874	126
Payments to other governments	31,845	31,845	31,845	-
On-behalf payments	-	-	344,927	(344,927)
Total expenditures	<u>\$ 157,489</u>	<u>\$ 157,489</u>	<u>502,126</u>	<u>\$ (344,637)</u>
NET CHANGE IN FUND BALANCES			290	
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			<u>\$ 290</u>	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49 **SCHEDULE 2**
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2008

		Title IV -	Title IV -	Title IV -	
	Mathematics and Science <u>Partnership</u>	21st Century <u>RIHS UTHS</u>	21st Century <u>Community Learning Centers</u>	21st Century <u>Edison</u>	Technology <u>Program</u>
ASSETS					
Cash (overdrafts) and cash equivalents	\$ 48,810	\$ 35,091	\$ 50,031	\$ 54,242	\$ (7,423)
Due from other governments	-	-	11,447	-	10,532
TOTAL ASSETS	<u>\$ 48,810</u>	<u>\$ 35,091</u>	<u>\$ 61,478</u>	<u>\$ 54,242</u>	<u>\$ 3,109</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	-	\$ 35,091	\$ 61,478	\$ 53,649	\$ 3,109
Deferred revenue	48,810	-	-	593	-
Total liabilities	48,810	35,091	61,478	54,242	3,109
FUND BALANCES (DEFICIT), UNRESERVED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED	<u>\$ 48,810</u>	<u>\$ 35,091</u>	<u>\$ 61,478</u>	<u>\$ 54,242</u>	<u>\$ 3,109</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49 **SCHEDULE 2**
COMBINING SCHEDULE OF ACCOUNTS **(CONTINUED)**
EDUCATION FUND
June 30, 2008

	Regional Safe Schools Program	Truants' Alt. and Optional Education	Early Childhood Ages 0-3	Early Childhood Ages 3-5	Early Childhood Pre-K
ASSETS					
Cash (overdrafts) and cash equivalents	\$ 686	\$ -	\$ 48	\$ 7,113	\$ 4,478
Due from other governments	-	-	-	-	-
TOTAL ASSETS	<u>\$ 686</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ 7,113</u>	<u>\$ 4,478</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,584	\$ -	\$ 48	\$ 10,110	\$ 7,596
Deferred revenue	-	-	-	-	-
Total liabilities	1,584	-	48	10,110	7,596
FUND BALANCES (DEFICIT), UNRESERVED	<u>(898)</u>	<u>-</u>	<u>-</u>	<u>(2,997)</u>	<u>(3,118)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED	<u>\$ 686</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ 7,113</u>	<u>\$ 4,478</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49 **SCHEDULE 2**
COMBINING SCHEDULE OF ACCOUNTS **(CONTINUED)**
EDUCATION FUND
June 30, 2008

		<u>McKinney</u>	<u>Early</u>	<u>Beginning</u>	<u>DCEO</u>	<u>Early</u>
		<u>Education for</u>	<u>Childhood</u>	<u>Teacher</u>	<u>Mentoring</u>	<u>Childhood</u>
		<u>Homeless</u>	<u>Teacher</u>	<u>Preparation</u>	<u>Initiative</u>	<u>Prevention</u>
		<u>Children</u>	<u>Preparation</u>	<u>Mentoring</u>	<u>Initiative</u>	<u>Initiative</u>
Cash (overdrafts) and cash equivalents	\$	2,904	\$ 5,816	\$ 53,131	\$ 11,188	\$ 17,510
Due from other governments		-	-	-	-	-
TOTAL ASSETS	\$	2,904	\$ 5,816	\$ 53,131	\$ 11,188	\$ 17,510
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$	2,904	-	-	-	-
Deferred revenue		-	5,816	53,131	-	17,510
Total liabilities		2,904	5,816	53,131	-	17,510
FUND BALANCES (DEFICIT), UNRESERVED		-	-	-	11,188	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED	\$	2,904	\$ 5,816	\$ 53,131	\$ 11,188	\$ 17,510

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49 SCHEDULE 2
 COMBINING SCHEDULE OF ACCOUNTS (CONTINUED)
 EDUCATION FUND
 June 30, 2008

		<u>Early Childhood Pre-School For All</u>	<u>RESPRO</u>	<u>Tyson Settlement Program</u>	<u>LAN Grant</u>	<u>Total</u>
ASSETS						
Cash (overdrafts) and cash equivalents	\$	107,228	\$ 31,299	\$ 46,456	\$ 6,493	\$ 475,101
Due from other governments		-	51,928	-	-	73,907
TOTAL ASSETS	\$	107,228	\$ 83,227	\$ 46,456	\$ 6,493	\$ 549,008
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$	-	-	-	-	\$ 175,569
Deferred revenue		107,228	-	-	-	233,088
Total liabilities		107,228	-	-	-	408,657
FUND BALANCES (DEFICIT), UNRESERVED		-	83,227	46,456	6,493	140,351
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED	\$	107,228	\$ 83,227	\$ 46,456	\$ 6,493	\$ 549,008

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

	Mathematics and Science Partnership	Title IV - 21st Century RIHS UTHS	Title IV - 21st Century Community Learning Centers	Title IV - 21st Century Edison	Technology Program
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	102,638
Federal sources	250,690	236,100	114,903	127,589	-
Total revenues	250,690	236,100	114,903	127,589	102,638
EXPENDITURES:					
Current:					
Education:					
Salaries	80,394	27,296	10,923	14,287	74,403
Benefits	9,257	4,930	1,018	2,588	11,625
Purchased services	125,411	201,674	101,182	110,230	15,501
Supplies and materials	32,464	2,200	1,780	484	-
Payments to other governments	-	-	-	-	-
Capital outlay	3,164	-	-	-	1,109
Total expenditures	250,690	236,100	114,903	127,589	102,638
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	-
OTHER FINANCING USES:					
Transfers out	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICIT)	-	-	-	-	-
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR	-	-	-	-	-
FUND RECLASSIFICATION	-	-	-	-	-
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

SCHEDULE 3
(CONTINUED)

	Regional Safe Schools Program	Truants' Alt. and Optional Education	Early Childhood Ages 0-3	Early Childhood Ages 3-5	Early Childhood Pre-K
REVENUES:					
Local sources	\$ -	-	-	-	-
State sources	380,411	91,458	53,336	1,117,182	600,000
Federal sources	-	-	-	-	-
Total revenues	<u>380,411</u>	<u>91,458</u>	<u>53,336</u>	<u>1,117,182</u>	<u>600,000</u>
EXPENDITURES:					
Current:					
Education:					
Salaries	49,023	75,163	36,014	370,260	187,119
Benefits	9,245	12,599	5,310	28,161	9,046
Purchased services	160,461	2,851	7,548	687,800	393,215
Supplies and materials	881	845	4,464	31,958	13,738
Payments to other governments	161,699	-	-	-	-
Capital outlay	-	-	-	2,000	-
Total expenditures	<u>381,309</u>	<u>91,458</u>	<u>53,336</u>	<u>1,120,179</u>	<u>603,118</u>
EXCESS OF REVENUES OVER EXPENDITURES	(898)	-	-	(2,997)	(3,118)
OTHER FINANCING USES:					
Transfers out	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICIT)	(898)	-	-	(2,997)	(3,118)
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR	-	-	-	-	-
FUND RECLASSIFICATION	-	-	-	-	-
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR	<u>\$ (898)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,997)</u>	<u>\$ (3,118)</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

SCHEDULE 3
 (CONTINUED)

	McKinney Education for Homeless Children	Early Childhood Teacher Preparation	Beginning Teacher Mentoring	DCEO	Early Childhood Prevention Initiative
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	112,594	143,581	11,188	162,490
Federal sources	15,354	-	-	-	-
Total revenues	<u>15,354</u>	<u>112,594</u>	<u>143,581</u>	<u>11,188</u>	<u>162,490</u>
EXPENDITURES:					
Current:					
Education:					
Salaries	2,944	45,410	12,887	-	95,135
Benefits	497	6,137	247	-	17,482
Purchased services	3,755	49,018	129,824	-	37,847
Supplies and materials	8,158	12,029	623	-	7,230
Payments to other governments	-	-	-	-	-
Capital outlay	-	-	-	-	4,796
Total expenditures	<u>15,354</u>	<u>112,594</u>	<u>143,581</u>	<u>-</u>	<u>162,490</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	11,188	-
OTHER FINANCING USES:					
Transfers out	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICIT)	-	-	-	11,188	-
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR	-	-	-	-	-
FUND RECLASSIFICATION	-	-	-	-	-
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,188</u>	<u>\$ -</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

SCHEDULE 3
(CONTINUED)

	Early Childhood Pre-School for All	RESPRO	Tyson Settlement Program	LAN Grant	Total
REVENUES:					
Local sources	\$ -	\$ 324,402	\$ 30,000	\$ 7,305	361,707
State sources	252,772	-	-	-	3,027,650
Federal sources	-	-	-	-	744,636
Total revenues	<u>252,772</u>	<u>324,402</u>	<u>30,000</u>	<u>7,305</u>	<u>4,133,993</u>
EXPENDITURES:					
Current:					
Education:					
Salaries	38,236	58,507	-	-	1,178,001
Benefits	4,132	3,722	-	-	125,996
Purchased services	194,531	226,745	17,106	812	2,465,511
Supplies and materials	9,022	1,632	6,438	-	133,946
Payments to other governments	-	-	-	-	161,699
Capital outlay	6,851	710	-	-	18,630
Total expenditures	<u>252,772</u>	<u>291,316</u>	<u>23,544</u>	<u>812</u>	<u>4,083,783</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	33,086	6,456	6,493	50,210
OTHER FINANCING USES:					
Transfers out	-	(35,382)	-	-	(35,382)
NET CHANGE IN FUND BALANCES (DEFICIT)	-	(2,296)	6,456	6,493	14,828
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR	-	-	-	-	-
FUND RECLASSIFICATION	-	85,523	40,000	-	125,523
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR	\$ -	\$ 83,227	\$ 46,456	\$ 6,493	\$ 140,351

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

SCHEDULE 4

	Mathematics and Science Partnership			Title IV - 21st Century - RIHS UTHS		
	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Actual Amounts	Variance with Final Budget
REVENUES:						
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	255,034	250,690	(4,344)	236,100	236,100	-
Total revenues	<u>255,034</u>	<u>250,690</u>	<u>(4,344)</u>	<u>236,100</u>	<u>236,100</u>	<u>-</u>
EXPENDITURES:						
Current:						
Education:						
Salaries	73,220	80,394	(7,174)	28,520	27,296	1,224
Benefits	11,641	9,257	2,384	3,900	4,930	(1,030)
Purchased services	135,848	125,411	10,437	202,480	201,674	806
Supplies and materials	34,325	32,464	1,861	1,200	2,200	(1,000)
Payments to other governments	-	-	-	-	-	-
Capital outlay	-	3,164	(3,164)	-	-	-
Total expenditures	<u>255,034</u>	<u>250,690</u>	<u>4,344</u>	<u>236,100</u>	<u>236,100</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR		<u>-</u>			<u>-</u>	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR		<u>\$ -</u>			<u>\$ -</u>	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

SCHEDULE 4
 (CONTINUED)

	Title IV - 21st Century Community Learning Centers				Title IV - 21st Century - Edison				
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with	
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget	
REVENUES:									
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	140,000	140,000	114,903	(25,097)	146,500	146,500	127,589	(18,911)	(18,911)
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>114,903</u>	<u>(25,097)</u>	<u>146,500</u>	<u>146,500</u>	<u>127,589</u>	<u>(18,911)</u>	<u>(18,911)</u>
EXPENDITURES:									
Current:									
Education:									
Salaries	9,477	9,477	10,923	(1,446)	12,000	12,000	14,287	(2,287)	(2,287)
Benefits	1,351	1,351	1,018	333	1,650	1,650	2,588	(938)	(938)
Purchased services	128,072	128,072	101,182	26,890	132,650	132,650	110,230	22,420	22,420
Supplies and materials	1,100	1,100	1,780	(680)	200	200	484	(284)	(284)
Payments to other governments	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>140,000</u>	<u>140,000</u>	<u>114,903</u>	<u>25,097</u>	<u>146,500</u>	<u>146,500</u>	<u>127,589</u>	<u>18,911</u>	<u>18,911</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			<u>-</u>				<u>-</u>		
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			<u>\$ -</u>				<u>\$ -</u>		

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

SCHEDULE 4
 (CONTINUED)

	Technology Program				Regional Safe Schools Program *			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:								
State sources	\$ 94,138	\$ 102,638	\$ 102,638	-	\$ 218,712	\$ 218,712	\$ 380,411	\$ 161,699
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>94,138</u>	<u>102,638</u>	<u>102,638</u>	<u>-</u>	<u>218,712</u>	<u>218,712</u>	<u>380,411</u>	<u>161,699</u>
EXPENDITURES:								
Current:								
Education:								
Salaries	74,529	74,529	74,403	126	48,614	48,614	49,023	(409)
Benefits	12,609	12,609	11,625	984	8,750	8,750	9,245	(495)
Purchased services	7,000	14,500	15,501	(1,001)	160,727	160,727	160,461	266
Supplies and materials	-	-	-	-	621	621	881	(260)
Payments to other governments	-	-	-	-	-	-	161,699	(161,699)
Capital outlay	-	1,000	1,109	(109)	-	-	-	-
Total expenditures	<u>94,138</u>	<u>102,638</u>	<u>102,638</u>	<u>-</u>	<u>218,712</u>	<u>218,712</u>	<u>381,309</u>	<u>(162,597)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(898)</u>	<u>(898)</u>
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR							-	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			<u>\$ -</u>				<u>\$ (898)</u>	

* Contains General State Aid Money not budgeted.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

SCHEDULE 4
 (CONTINUED)

	Truants' Alt. and Optional Education		Early Childhood Ages 0-3		Variance with Final Budget
	Budgeted Amounts	Actual Amounts	Budgeted Amounts	Actual Amounts	
	Original	Final	Original	Final	
REVENUES:					
State sources	\$ 91,458	\$ 91,458	\$ 52,808	\$ 53,336	\$ -
Federal sources	-	-	-	-	-
Total revenues	91,458	91,458	52,808	53,336	-

EXPENDITURES:

Current:					
Education:					
Salaries	75,695	75,695	37,269	35,951	36,014 (63)
Benefits	12,746	12,746	1,525	5,440	5,310 130
Purchased services	2,447	2,447	8,864	7,541	7,548 (7)
Supplies and materials	570	570	5,150	4,404	4,464 (60)
Payments to other governments	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	91,458	91,458	52,808	53,336	-

EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES \$ - \$ - \$ -

FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR -

FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR \$ -

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

SCHEDULE 4
(CONTINUED)

	Early Childhood Ages 3-5				Early Childhood Pre-K			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:								
State sources	\$ 1,084,643	\$ 1,117,182	\$ 1,117,182	-	\$ 600,000	\$ 600,000	\$ 600,000	-
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>1,084,643</u>	<u>1,117,182</u>	<u>1,117,182</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
EXPENDITURES:								
Current:								
Education:								
Salaries	418,566	370,227	370,260	(33)	220,414	186,540	187,119	(579)
Benefits	19,375	26,109	28,161	(2,052)	10,975	8,612	9,046	(434)
Purchased services	631,144	685,523	687,800	(2,277)	363,644	389,667	393,215	(3,548)
Supplies and materials	14,058	34,323	31,958	2,365	4,967	15,181	13,738	1,443
Payments to other governments	-	-	-	-	-	-	-	-
Capital outlay	<u>1,500</u>	<u>1,000</u>	<u>2,000</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,084,643</u>	<u>1,117,182</u>	<u>1,120,179</u>	<u>(2,997)</u>	<u>600,000</u>	<u>600,000</u>	<u>603,118</u>	<u>(3,118)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>(2,997)</u>	<u>(2,997)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,118)</u>	<u>(3,118)</u>
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR			-				-	
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR			<u>\$ (2,997)</u>				<u>\$ (3,118)</u>	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

SCHEDULE 4
 (CONTINUED)

	McKinney Education for Homeless Children				Early Childhood Teacher Preparation			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:								
State sources	-	-	-	-	-	-	-	-
Federal sources	15,354	15,354	15,354	-	-	-	-	(5,816)
	<u>15,354</u>	<u>15,354</u>	<u>15,354</u>	<u>-</u>	<u>145,575</u>	<u>118,410</u>	<u>112,594</u>	<u>-</u>
Total revenues	15,354	15,354	15,354	-	145,575	118,410	112,594	(5,816)

EXPENDITURES:

Current:								
Education:								
Salaries	8,000	3,000	2,944	56	42,050	47,050	45,410	1,640
Benefits	1,350	506	497	9	2,860	6,284	6,137	147
Purchased services	4,332	5,332	3,755	1,577	88,155	55,052	49,018	6,034
Supplies and materials	1,672	6,516	8,158	(1,642)	12,510	10,024	12,029	(2,005)
Payments to other governments	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
	<u>15,354</u>	<u>15,354</u>	<u>15,354</u>	<u>-</u>	<u>145,575</u>	<u>118,410</u>	<u>112,594</u>	<u>5,816</u>

EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES

	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR

	-
	<u>\$ -</u>

FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR

	-
	<u>\$ -</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

SCHEDULE 4
(CONTINUED)

	Beginning Teacher Mentoring			Early Childhood Prevention Initiative				
	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget
REVENUES:								
State sources	\$ 350,036	\$ 350,036	\$ 143,581	\$ (206,455)	\$ 200,000	\$ 200,000	\$ 162,490	\$ (37,510)
Federal sources	-	-	-	-	-	-	-	-
Total revenues	350,036	350,036	143,581	(206,455)	200,000	200,000	162,490	(37,510)
EXPENDITURES:								
Current:								
Education:								
Salaries	23,459	23,459	12,887	10,572	116,547	115,888	95,135	20,753
Benefits	714	714	247	467	20,636	20,299	17,482	2,817
Purchased services	314,738	314,738	129,824	184,914	52,317	44,799	37,847	6,952
Supplies and materials	11,125	11,125	623	10,502	6,600	14,218	7,230	6,988
Payments to other governments	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	3,900	4,796	4,796	-
Total expenditures	350,036	350,036	143,581	206,455	200,000	200,000	162,490	37,510

**EXCESS (DEFICIENCY) OF REVENUES
 OVER (UNDER) EXPENDITURES**

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
------	------	------	------	------	------	------	------	------

**FUND BALANCE (DEFICIT),
 UNRESERVED,
 BEGINNING OF YEAR**

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

**FUND BALANCE (DEFICIT),
 UNRESERVED,
 END OF YEAR**

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
------	------	------	------	------	------	------	------	------

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2008

SCHEDULE 4
(CONTINUED)

	Early Childhood Pre-School for All				Total	
	Budgeted Amounts		Actual Amounts		Actual Amounts	
	Original	Final	Final	Final	Final	Final
REVENUES:						
State sources	\$ 360,000	\$ 360,000	\$ 252,772	\$ -	\$ 3,211,772	\$ 3,016,462
Federal sources	-	-	-	-	792,988	744,636
Total revenues	<u>360,000</u>	<u>360,000</u>	<u>252,772</u>	<u>(107,228)</u>	<u>4,004,760</u>	<u>3,761,098</u>
EXPENDITURES:						
Current:						
Education:						
Salaries	136,394	76,795	38,236	38,559	1,180,965	1,119,494
Benefits	11,788	8,642	4,132	4,510	129,253	122,274
Purchased services	197,978	251,868	194,531	57,337	2,531,244	2,220,848
Supplies and materials	7,940	12,895	9,022	3,873	146,702	125,876
Payments to other governments	-	-	-	-	-	161,699
Capital outlay	5,900	9,800	6,851	2,949	16,596	17,920
Total expenditures	<u>360,000</u>	<u>360,000</u>	<u>252,772</u>	<u>107,228</u>	<u>4,004,760</u>	<u>3,768,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,013)</u>
FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR						<u>-</u>
FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR						<u>\$ (7,013)</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49 SCHEDULE 5
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2008

	<u>General Educational Development</u>	<u>School Bus Driver Training</u>	<u>Super- visory Expense</u>	<u>Total</u>
Cash and cash equivalents	\$ 14,341	\$ 956	\$ 598	\$ 15,895
Due from other governments	280	40	-	320
TOTAL ASSETS	<u>\$ 14,621</u>	<u>\$ 996</u>	<u>\$ 598</u>	<u>\$ 16,215</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
None	\$ -	\$ -	\$ -	\$ -
FUND BALANCES, UNRESERVED	<u>14,621</u>	<u>996</u>	<u>598</u>	<u>16,215</u>
TOTAL LIABILITIES AND FUND BALANCES, UNRESERVED	<u>\$ 14,621</u>	<u>\$ 996</u>	<u>\$ 598</u>	<u>\$ 16,215</u>

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

Year Ended June 30, 2008

	General Educational Development	School Bus Driver Training	Super- visory Expense	Total
REVENUES:				
Local sources	\$ 12,044	\$ 1,023	\$ -	\$ 13,067
State sources	-	765	1,001	1,766
Total revenues	<u>12,044</u>	<u>1,788</u>	<u>1,001</u>	<u>14,833</u>
EXPENDITURES:				
Current:				
Education:				
Purchased services	6,365	1,233	507	8,105
Supplies and materials	3,679	-	-	3,679
Other objects	-	-	170	170
Total expenditures	<u>10,044</u>	<u>1,233</u>	<u>677</u>	<u>11,954</u>
EXCESS OF REVENUES OVER EXPENDITURES	2,000	555	324	2,879
FUND BALANCE, UNRESERVED, BEGINNING OF YEAR	<u>12,621</u>	<u>441</u>	<u>274</u>	<u>13,336</u>
FUND BALANCE, UNRESERVED, END OF YEAR	<u>\$ 14,621</u>	<u>\$ 996</u>	<u>\$ 598</u>	<u>\$ 16,215</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2008

	<u>Distributive</u>	<u>Cafeteria Plan</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 32,534	\$ 9,353	\$ 41,887
LIABILITIES			
Due to others	\$ -	\$ 9,353	\$ 9,353
Due to other governments and agencies	<u>32,534</u>	<u>-</u>	<u>32,534</u>
TOTAL LIABILITIES	<u>\$ 32,534</u>	<u>\$ 9,353</u>	<u>\$ 41,887</u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
Year Ended June 30, 2008**

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
DISTRIBUTIVE				
ASSETS				
Cash and cash equivalents	\$ 33,200	\$ 4,295,418	\$ 4,296,084	\$ 32,534
LIABILITIES				
Due to other governments and agencies	\$ 33,200	\$ 4,295,418	\$ 4,296,084	\$ 32,534
 CAFETERIA PLAN				
ASSETS				
Cash and cash equivalents	\$ 9,378	\$ 51,912	\$ 51,937	\$ 9,353
LIABILITIES				
Due to others	\$ 9,378	\$ 51,912	\$ 51,937	\$ 9,353
 TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 42,578	\$ 4,347,330	\$ 4,348,021	\$ 41,887
LIABILITIES				
Due to others	\$ 9,378	\$ 51,912	\$ 51,937	\$ 9,353
Due to other governments and agencies	33,200	4,295,418	4,296,084	32,534
TOTAL LIABILITIES	<u>\$ 42,578</u>	<u>\$ 4,347,330</u>	<u>\$ 4,348,021</u>	<u>\$ 41,887</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
Year Ended June 30, 2008

	Regional Office of <u>Education</u>
General State Aid	\$ 174,292
Bus Training	600
Truants Alternative	91,458
Regional Safe Schools	218,712
Early Childhood Block Grant	2,469,330
ROE Operations	157,489
Supervisory Expense	1,000
Learning Technology Center	100,638
Teacher Mentoring Pilot Program	196,712
21st Century Community Learning Center	646,243
Mathematics and Science Partnerships	239,610
	\$ 4,296,084

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008**

Federal Grantor/Pass- Through Grantor, Program Title & Major Program Designation	<u>CFDA Number</u>	<u>Project Number (1st 8 digits) or Contract #</u>	Expenditures 7/1/07- 6/30/2008
U.S. Dept. of Education passed through Illinois State Board of Education:			
(M) Title IV - 21st Century Community Learning Centers	84.287	08-4421-08	\$ 114,903
(M) Title IV - 21st Century Community Learning Centers (Edison)	84.287	08-4421-05	127,589
(M) Title IV - 21st Century Community Learning Centers (RIHS UTHS)	84.287	08-4421-04	236,100
			<u>478,592</u>
Mathematics and Science Partnership	84.366	07-4936-00	100,054
Mathematics and Science Partnership	84.366	08-4936-00	150,635
			<u>250,689</u>
U.S. Dept. of Education passed through Lee/Ogle ROE: Stewart B. McKinney Education for Homeless Children and Youth Program			
	84.196A	08-4920-00	<u>15,354</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 744,635</u>
(M) Program was audited as a major program			

The accompanying notes are an integral part of this schedule.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

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

NOTE 2 - SUBRECIPIENTS

N/A

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAMS

Title IV - 21st Century Community Learning Centers - to account for grant monies received for, and payment of, the 21st Century program.

Title IV - 21st Century Community Learning Centers (Edison) - to account for grant monies received for, and payment of, the 21st Century program at Edison Junior High School.

Title IV - 21st Century Community Learning Centers (RIHS UTHS) - to account for grant monies received for, and payment of, the 21st Century program at Rock Island High School and United Township High School.

NOTE 4 - NON-CASH ASSISTANCE

N/A

NOTE 5 - AMOUNT OF INSURANCE

N/A

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

N/A

This information is an integral part of the accompanying schedule.