

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, 2010

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

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ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

OFFICIALS

Regional Superintendent

Ms. Tammy Muerhoff  
(August 1, 2011 to present)

Mr. James Widdop  
(July 1, 2009 to July 31, 2011)

Assistant Regional Superintendent

Ms. Tammy Muerhoff  
(December 16, 2010 to July 31, 2011)

Mr. John Flaherty  
(January 15, 2010 to December 15, 2010)

Mr. Joseph Vermeire  
(July 1, 2009 to December 15, 2009)

Offices are located at:

3430 Avenue of the Cities  
Moline, Illinois 61265

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

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit Findings	2	1
Repeated Audit Findings	1	1
Prior recommendations implemented or not repeated	0	5

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>Findings (Government Auditing Standards)</i>			
10-1	15	Controls over Financial Statement Preparation	Material Weakness
10-2	17	Departure from Generally Accepted Accounting Principles	Material Weakness
<i>Findings and Questioned Costs (Federal Compliance)</i>			
None			
<i>Prior Findings Not Repeated (Government Auditing Standards)</i>			
None			
<i>Prior Findings Not Repeated (Federal Compliance)</i>			
None			

An informal exit conference was held on October 19, 2010. Those involved included James Widdop, Regional Superintendent, and Mark Reinken, auditor. The findings and audit process in general were discussed. Responses to the recommendations were provided by James Widdop on July 13, 2011.

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

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

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

**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, 2010, 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 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.

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

In our opinion, except for the effects of not recognizing a liability for postemployment benefits other than pensions in the Statement of Net Assets and the Statement of Activities as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rock Island County Regional Office of Education No. 49, as of June 30, 2010, 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 14, 2011 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 23 through 35 and page 65 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 the 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.

*GINOLI & COMPANY LTD*

GINOLI & COMPANY LTD  
Certified Public Accountants

Peoria, Illinois  
September 14, 2011



**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, 2010, 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 14, 2011. 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, but not for the purpose of expressing an opinion on the effectiveness of Rock Island County Regional Office of Education No. 49's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education No. 49's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in findings 10-1 and 10-2 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Compliance and Other Matters

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

Rock Island County Regional Office of Education No. 49's response 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 response and, accordingly, we express no opinion on it.

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 entity, 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.

*GINOLI & COMPANY LTD*

GINOLI & COMPANY LTD  
Certified Public Accountants

Peoria, Illinois  
September 14, 2011



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Rock Island County Regional Office of Education No. 49's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Rock Island County Regional Office of Education No. 49's major federal programs for the year ended June 30, 2010. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

### Internal Control Over Compliance

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

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

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

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 entity, 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.

*GINOLI & COMPANY LTD*  
GINOLI & COMPANY LTD  
Certified Public Accountants

Peoria, Illinois  
September 14, 2011

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

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Section I -- Summary of Auditor's Results

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**Financial Statements**

Type of auditor's report issued: qualified  
(unqualified, qualified, adverse, disclaimer)

Internal control over financial reporting:

Material weakness(es) identified?  X  yes   no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?   yes  X  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 deficiency(ies) identified that are not considered to be material weakness(es)?   yes  X  none reported

Type of auditor's report issued on compliance for major programs: unqualified  
(unqualified, qualified, adverse, disclaimer)

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.215L	Smaller Learning Communities
84.287	Title IV - 21st Century
84.366	Mathematics and Science Partnership

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

Auditee qualified as low-risk auditee            yes   X   no            n/a

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

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

**Criteria/Specific Requirement:**

The Rock Island County Regional Office of Education No. 49 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office 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 accrual basis for disbursements and the cash basis for receipts. 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:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, and deferred revenue.
- 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  
SECTION II - FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

**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 note 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 now has seven positions that have some direct review, contact and oversight of its financial statements. These individuals have and will continue to 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. Continued oversight and opportunities to crosscheck will be investigated.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

**FINDING NO. 10-2 Departure from Generally Accepted Accounting Principle**

**Criteria/Specific Requirement:**

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

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

**Condition:**

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

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of ROE No. 49 as of June 30, 2010.

**Effect:**

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

**Cause:**

According to Regional Office officials, inadequate funding and the overall complexity of the GASB Pronouncement led to the failure to implement GASB Statement No. 45.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II - FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

**FINDING NO. 10-2 Departure from Generally Accepted Accounting Principle -  
continued**

**Recommendation:**

We recommend the ROE No. 49 obtain or perform an actuarial valuation of its other postemployment benefit liability to be in compliance with GASB Statement No. 45 and include all disclosures required by the Statement in its financial statements.

**Management's Response:**

The Regional Office of Education is not funded adequately by the State of Illinois to perform a check of retirement cost. We will continue to look into this as funding becomes available.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION III – FEDERAL AWARD FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

None for the year ended June 30, 2010.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

**Finding No. 10-1 – Controls Over Financial Statement Preparation (Repeat of prior years finding: 09-1, 08-1 and 07-1)**

**Condition:**

The Regional Office of Education No. 49 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the accrual basis for disbursements and the cash basis for receipts. 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:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, and deferred revenue.
- Numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

**Corrective Action Plan:**

The Regional Office now has seven positions that have some direct review, contact and oversight of its financial statements. These individuals have and will continue to 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. Continued oversight and opportunities to crosscheck will be investigated.

**ANTICIPATED DATE OF COMPLETION:**

Undetermined

**CONTACT PERSON:**

Tammy Muerhoff, Regional Superintendent

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

**Finding No. 10-2 – Departure from Generally Accepted Accounting Principle**

**Condition:**

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

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of ROE No. 49 as of June 30, 2010.

**Corrective Action Plan:**

The Regional Office of Education is not funded adequately by the State of Illinois to perform a check of retirement cost. We will continue to look into this as funding becomes available.

**ANTICIPATED DATE OF COMPLETION:**

Undetermined

**CONTACT PERSON:**

Tammy Muerhoff, Regional Superintendent

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
09-1	Controls over financial statement preparation	Repeated 10-1

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010

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, 2010. We encourage readers to consider this information in conjunction with Rock Island County Regional Office of Education No. 49's financial statements, which follow.

**2010 FINANCIAL HIGHLIGHTS**

- General Fund revenues increased from \$508,129 in fiscal year 2009 to \$513,689 in fiscal year 2010. The reason for the change is attributable to an increase in on-behalf payments. General Fund expenditures also increased from \$510,427 in fiscal year 2009 to \$567,104 in fiscal year 2010. 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 deficit fund balance increased in fiscal year 2010 to \$(55,423) from the 2009 balance of \$(2,008). The General Fund of Rock Island County Regional Office of Education No. 49 consists only of the ROE Operations grant, which decreased this year by 22%.
- Institute Fund revenues increased from \$21,947 in fiscal year 2009 to \$35,928 in fiscal year 2010. The increase was primarily due to a bubble in the registration cycle. Being on a five year cycle, some years have more certified personnel becoming due on their cycle. Expenditures in the Institute Fund decreased from \$37,685 in fiscal year 2009 to \$23,192 in fiscal year 2010. This decrease was primarily due to no large ticket workshop or certification resource this fiscal year.
- Education Fund revenues increased from \$4,305,841 in fiscal year 2009 to \$4,410,261 in fiscal year 2010. Expenditures also increased from \$4,386,343 in fiscal year 2009 to \$5,057,665 in fiscal year 2010. The increase in revenues and expenditures in the Education Fund is primarily due to the reclassification of the Smaller Communities Learning Grant.
- Enterprise Workshop Fund revenues decreased from \$920,705 in fiscal year 2009 to \$266,257 in fiscal year 2010. This decrease was primarily due to the reclassification of the Smaller Communities Learning Grant.
- Government-wide revenues increased 4% from \$5,774,647 in fiscal year 2009 to \$6,032,687 in fiscal year 2010. Government-wide expenses decreased 2% from \$6,061,679 in fiscal year 2009 to \$5,944,199 in fiscal year 2010.

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010

**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.

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

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

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**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.

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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.

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**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 \$718,968 as of June 30, 2010.

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, 2010 and 2009.

**2010**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
Current assets	\$ 1,907,259	\$ 430,805	\$ 2,338,064
Capital assets, net of accumulated depreciation	48,344	17,990	66,334
Total assets	<u>1,955,603</u>	<u>448,795</u>	<u>2,404,398</u>
Current liabilities	<u>1,677,311</u>	<u>8,119</u>	<u>1,685,430</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	48,344	17,990	66,334
Unrestricted	91,070	422,686	513,756
Restricted for teacher professional development	<u>138,878</u>	<u>-</u>	<u>138,878</u>
<b>Total net assets</b>	<u>\$ 278,292</u>	<u>\$ 440,676</u>	<u>\$ 718,968</u>

ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49  
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**2009**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
Current assets	\$ 1,096,364	\$ 476,524	\$ 1,572,888
Capital assets, net of accumulated depreciation	33,455	30,592	64,047
Total assets	<u>1,129,819</u>	<u>507,116</u>	<u>1,636,935</u>
Current liabilities	<u>890,534</u>	<u>115,921</u>	<u>1,006,455</u>
Net assets			
Invested in capital assets, net of related debt	33,455	30,592	64,047
Unrestricted	79,688	360,603	440,291
Restricted for teacher professional development	<u>126,142</u>	<u>-</u>	<u>126,142</u>
<b>Total net assets</b>	<b><u>\$ 239,285</u></b>	<b><u>\$ 391,195</u></b>	<b><u>\$ 630,480</u></b>

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 \$513,756 and \$440,291 for 2010 and 2009, 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, 2010 was \$6,032,687. The total cost of all programs and services was \$5,944,199. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2010 and 2009.

**2010**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Revenues:</b>			
Program revenues			
Charges for services	\$ -	\$ 266,257	\$ 266,257
Operating grants and contributions	5,237,426	-	5,237,426
General revenues			
Local sources	82,962	-	82,962
On-behalf payments	<u>446,042</u>	<u>-</u>	<u>446,042</u>
Total revenues	<u>5,766,430</u>	<u>266,257</u>	<u>6,032,687</u>

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**2010**

	<b><u>Governmental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>Total</u></b>
<b>Expenses:</b>			
Instructional services			
Salaries	\$ 1,456,900	\$ 53,083	\$ 1,509,983
Benefits	161,413	11,658	173,071
Purchased services	3,368,998	207,632	3,576,630
Supplies and materials	154,846	10,129	164,975
Payments to other governments	25,200	-	25,200
Depreciation	33,218	15,080	48,298
Administrative			
On-behalf payments	<u>446,042</u>	<u>-</u>	<u>446,042</u>
Total expenses	<u>5,646,617</u>	<u>297,582</u>	<u>5,944,199</u>
Change in net assets	119,813	(31,325)	88,488
<b>Net assets, beginning of year</b>	239,285	391,195	630,480
<b>Fund reclassification</b>	<u>(80,806)</u>	<u>80,806</u>	<u>-</u>
<b>Net assets, end of year</b>	<u>\$ 278,292</u>	<u>\$ 440,676</u>	<u>\$ 718,968</u>

Operating grants and contributions account for 87% of the total revenue. Rock Island County Regional Office of Education No. 49's expenses primarily relate to instructional services, which account for 92% of the total expenses.

**2009**

	<b><u>Governmental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>Total</u></b>
<b>Revenues:</b>			
Program revenues			
Charges for services	\$ -	\$ 920,705	\$ 920,705
Operating grants and contributions	4,273,996	-	4,273,996
General revenues			
Local sources	228,793	-	228,793
On-behalf payments	<u>351,153</u>	<u>-</u>	<u>351,153</u>
Total revenues	<u>4,853,942</u>	<u>920,705</u>	<u>5,774,647</u>

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**2009**

	<b><u>Governmental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>Total</u></b>
<b>Expenses:</b>			
Instructional services			
Salaries	\$ 1,620,967	\$ 133,673	\$ 1,754,640
Benefits	156,607	8,883	165,490
Purchased services	2,653,952	927,286	3,581,238
Supplies and materials	117,025	13,761	130,786
Other objects	777	-	777
Payments to other governments	31,845	1,000	32,845
Depreciation	24,813	18,638	43,451
Capital outlay	1,299	-	1,299
Administrative			
On-behalf payments	<u>351,153</u>	<u>-</u>	<u>351,153</u>
Total expenses	<u>4,958,438</u>	<u>1,103,241</u>	<u>6,061,679</u>
 Change in net assets	 (104,496)	 (182,536)	 (287,032)
 <b>Net assets, beginning of year</b>	 <u>343,781</u>	 <u>573,731</u>	 <u>917,512</u>
 <b>Net assets, end of year</b>	 <u>\$ 239,285</u>	 <u>\$ 391,195</u>	 <u>\$ 630,480</u>

Operating grants and contributions account for 74% 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.

**Governmental Activities**

Revenues for governmental activities were \$5,766,430 and \$4,853,942 and expenses were \$5,646,617 and \$4,958,438 for 2010 and 2009, 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.

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<u>2010</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services		
Salaries	\$ 1,456,900	\$ 10,288
Benefits	161,413	-
Purchased services	3,368,998	19,846
Supplies and materials	154,846	(8,172)
Payments to other governments	25,200	-
Depreciation	33,218	(33,218)
Capital outlay	-	48,107
Administrative		
On-behalf payments	<u>446,042</u>	<u>(446,042)</u>
<b>Total expenses</b>	<b><u>\$ 5,646,617</u></b>	<b><u>\$ (409,191)</u></b>
<u>2009</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services		
Salaries	\$ 1,620,967	\$ (113,468)
Benefits	156,607	(10,962)
Purchased services	2,653,952	(185,777)
Supplies and materials	117,025	(8,192)
Other objects	777	(577)
Payments to other governments	31,845	(2,229)
Depreciation	24,813	(24,813)
Capital outlay	1,299	12,729
Administrative		
On-behalf payments	<u>351,153</u>	<u>(351,153)</u>
<b>Total expenses</b>	<b><u>\$ 4,958,438</u></b>	<b><u>\$ (684,442)</u></b>

- The cost of all governmental activities was \$5,646,617 and \$4,958,438 for 2010 and 2009, respectively.
- Federal and state governments subsidized certain governmental activities with grants and contributions of \$5,237,426 and \$4,273,996 for 2010 and 2009, respectively.

Net cost of governmental activities (\$409,191), was financed by general revenues, which are made up of local (\$82,962) and on-behalf payments (\$446,042) for 2010.

Net cost of governmental activities (\$684,442), was financed by general revenues, which are made up of local (\$228,793) and on-behalf payments (\$351,153) for 2009.

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**Business-Type Activities**

Revenues for business-type activities were \$266,257 and \$920,705 and expenses were \$297,582 and \$1,103,241 for 2010 and 2009, 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 and expenditures decreased due to the reclassification of the Smaller Learning Communities Grant

**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 deficit of \$(558,133), below last year's ending fund balance of \$125,024 due to continued loss of grant funds and delayed State payments into FY11.

**Governmental Fund Highlights**

The Institute Fund balance increased from \$126,142 in 2009 to \$138,878 in 2010. The increase was primarily due to increased Institute Fund revenues and careful restraint on expenditures.

The Education Fund deficit increased from \$(20,957) in 2009 to \$(668,361) in 2010. The main reason for the decrease is due to continued loss of grant funds and delayed State payments into FY11.

**Proprietary Fund Highlights**

Workshop Fund net assets increased from \$391,195 at June 30, 2009 to \$440,676 at June 30, 2010, representing an increase of approximately 13%. The primary reason for the increase is due to the reclassification of the Smaller Communities Learning Grant. If not for this, the Workshop Fund net assets would have decreased by approximately 9% due to decreased workshop participation as a result of school districts' diminished permission to teachers to take outside workshops.

**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.

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**CAPITAL ASSETS**

As of June 30, 2010, Rock Island County Regional Office of Education No. 49 had invested \$66,334 in capital assets, including furniture and equipment. Total depreciation expense for the year was \$48,298.

The following schedules present capital asset balances net of depreciation for the fiscal years ended June 30, 2010 and 2009.

<u>2010</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 48,344	\$ 17,990	\$ 66,334
<u>2009</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 33,455	\$ 30,592	\$ 64,047

Additional information on Rock Island County Regional Office of Education No. 49's capital assets can be found in Note 4 on pages 55 and 56 of this report.

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

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

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

- The State of Illinois continues to be in a dismal financial position, with a possible \$13-15 billion deficit, which has had and will continue to reflect negatively on the ability of the Regional Office of Education to obtain grants necessary for stable and continued growth. Delayed payments will not allow the ROE to maintain programmatic initiatives over the long run if continued.

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

All and all, it will take a steady hand to navigate the educational funding waters of this FY11.

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

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

BASIC FINANCIAL STATEMENTS

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

<b>ASSETS</b>	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 473,509	\$ 415,195	\$ 888,704
Due from other governments	1,433,750	-	1,433,750
Other assets	-	15,610	15,610
<b>Total current assets</b>	<b>\$ 1,907,259</b>	<b>\$ 430,805</b>	<b>\$ 2,338,064</b>
<b>Noncurrent assets:</b>			
Capital assets, being depreciated, net	48,344	17,990	66,334
<b>Total assets</b>	<b>\$ 1,955,603</b>	<b>\$ 448,795</b>	<b>\$ 2,404,398</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 1,327,264	\$ -	\$ 1,327,264
Accrued expenses	9,784	8,119	17,903
Deferred revenue	340,263	-	340,263
<b>Total liabilities</b>	<b>\$ 1,677,311</b>	<b>\$ 8,119</b>	<b>\$ 1,685,430</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 48,344	\$ 17,990	\$ 66,334
Unrestricted	91,070	422,686	513,756
Restricted for teacher professional development	138,878	-	138,878
<b>Total net assets</b>	<b>\$ 278,292</b>	<b>\$ 440,676</b>	<b>\$ 718,968</b>

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

**ROCK ISLAND REGIONAL OFFICE OF EDUCATION NO. 49**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**EXHIBIT B**

<b>FUNCTIONS/PROGRAMS</b>	<b>Program Revenues</b>			<b>Net (Expenses) Revenues and Changes in Net Assets</b>		
	<b><u>Expenses</u></b>	<b><u>Charges for Services</u></b>	<b><u>Operating Grants and Contributions</u></b>	<b>Primary Government</b>		<b><u>Total</u></b>
				<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	
Primary government:						
Government activities:						
Instructional services:						
Salaries	\$ 1,456,900	\$ -	\$ 1,467,188	\$ 10,288	\$ -	\$ 10,288
Benefits	161,413	-	161,413	-	-	-
Purchased services	3,368,998	-	3,388,844	19,846	-	19,846
Supplies and materials	154,846	-	146,674	(8,172)	-	(8,172)
Payments to other governments	25,200	-	25,200	-	-	-
Depreciation	33,218	-	-	(33,218)	-	(33,218)
Capital outlay	-	-	48,107	48,107	-	48,107
Administrative:						
On-behalf payments	446,042	-	-	(446,042)	-	(446,042)
Total governmental activities	\$ 5,646,617	\$ -	\$ 5,237,426	\$ (409,191)	\$ -	\$ (409,191)
Business-type activities:						
Other	297,582	266,257	-	-	(31,325)	(31,325)
<b>Total primary government</b>	<b>\$ 5,944,199</b>	<b>\$ 266,257</b>	<b>\$ 5,237,426</b>	<b>\$ (409,191)</b>	<b>\$ (31,325)</b>	<b>\$ (440,516)</b>
General revenues:						
Local sources				\$ 82,962	\$ -	\$ 82,962
On-behalf payments				446,042	-	446,042
Total general revenues and transfers				\$ 529,004	\$ -	\$ 529,004
<b>CHANGES IN NET ASSETS</b>				\$ 119,813	\$ (31,325)	\$ 88,488
<b>NET ASSETS, BEGINNING OF YEAR</b>				158,479	472,001	630,480
<b>NET ASSETS, END OF YEAR</b>				<b>\$ 278,292</b>	<b>\$ 440,676</b>	<b>\$ 718,968</b>

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, 2010

EXHIBIT C

	<u>Special Revenue</u>				<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 473,509	\$ -	\$ 473,509
Due from other funds	-	138,878	228,241	26,784	393,903
Due from other governments	55,423	-	1,378,019	308	1,433,750
<b>TOTAL ASSETS</b>	<b>\$ 55,423</b>	<b>\$ 138,878</b>	<b>\$ 2,079,769</b>	<b>\$ 27,092</b>	<b>\$ 2,301,162</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 25,200	\$ -	\$ 1,301,745	\$ 319	\$ 1,327,264
Accrued expenses	-	-	9,784	-	9,784
Due to other funds	30,223	-	363,680	-	393,903
Deferred revenue	55,423	-	1,072,921	-	1,128,344
Total liabilities	<b>\$ 110,846</b>	<b>\$ -</b>	<b>\$ 2,748,130</b>	<b>\$ 319</b>	<b>\$ 2,859,295</b>
<b>FUND BALANCES</b>					
Unreserved, reported in:					
General fund	\$ (55,423)	\$ -	\$ -	\$ -	\$ (55,423)
Special revenue funds	-	138,878	(668,361)	26,773	(502,710)
Total fund balances	<b>\$ (55,423)</b>	<b>\$ 138,878</b>	<b>\$ (668,361)</b>	<b>\$ 26,773</b>	<b>\$ (558,133)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 55,423</b>	<b>\$ 138,878</b>	<b>\$ 2,079,769</b>	<b>\$ 27,092</b>	<b>\$ 2,301,162</b>

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, 2010**

<b>Total fund balances - governmental fund</b>	\$	(558,133)
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Because some revenues will not be collected for several months after the Regional Office fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.</p>		788,081
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.</p>		<u>48,344</u>
<b>Net assets of governmental activities</b>	<b>\$</b>	<b><u>278,292</u></b>

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**EXHIBIT E**

	Special Revenue				Total Governmental Funds
	<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
<b>REVENUES:</b>					
Local sources	\$ 37	\$ 35,928	\$ 30,328	\$ 16,669	\$ 82,962
State sources	67,610	-	2,393,391	1,802	2,462,803
Federal sources	-	-	1,986,542	-	1,986,542
On-behalf payments	446,042	-	-	-	446,042
Total revenues	\$ 513,689	\$ 35,928	\$ 4,410,261	\$ 18,471	\$ 4,978,349
<b>EXPENDITURES:</b>					
Current:					
Education:					
Salaries	\$ 71,186	\$ -	\$ 1,385,714	\$ -	\$ 1,456,900
Benefits	11,380	-	150,033	-	161,413
Purchased services	11,901	23,017	3,320,535	13,545	3,368,998
Supplies and materials	1,395	175	153,276	-	154,846
Other objects	-	-	-	-	-
Payments to other governments	25,200	-	-	-	25,200
On-behalf payments	446,042	-	-	-	446,042
Capital outlay	-	-	48,107	-	48,107
Total expenditures	\$ 567,104	\$ 23,192	\$ 5,057,665	\$ 13,545	\$ 5,661,506
<b>NET CHANGE IN FUND BALANCES</b>	\$ (53,415)	\$ 12,736	\$ (647,404)	\$ 4,926	\$ (683,157)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	(2,008)	126,142	(20,957)	21,847	125,024
<b>FUND BALANCE, END OF YEAR</b>	\$ (55,423)	\$ 138,878	\$ (668,361)	\$ 26,773	\$ (558,133)

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010**

**Net change in fund balance** \$ (683,157)

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

Revenues in the Statement of Activities that do not provide current  
financial resources are not reported as revenues in the funds 788,081

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

Capital outlay	\$	48,107	
Depreciation expense		(33,218)	\$ 14,889

**Change in net assets of governmental activities** \$ 119,813

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, 2010**

**Enterprise  
Fund  
Workshops**

**ASSETS**

Current assets:		
Cash and cash equivalents	\$	415,195
Other assets		15,610
Total current assets	<u>\$</u>	<u>430,805</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation		17,990
Total assets	<u>\$</u>	<u>448,795</u>

**LIABILITIES**

Accounts payable	\$	-
Accrued expenses		8,119
Total liabilities	<u>\$</u>	<u>8,119</u>

**NET ASSETS**

Invested in capital assets, net of related debt	\$	17,990
Unrestricted		422,686
Total net assets	<u>\$</u>	<u>440,676</u>

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<b><u>Enterprise Fund Workshops</u></b>
Operating revenues:	
Charges for services	\$ 266,257
Operating expenses:	
Current:	
Education	
Salaries	\$ 53,083
Benefits	11,658
Purchased services	207,632
Supplies and materials	10,129
Payments to other government	-
Depreciation expense	15,080
Total operating expense	\$ 297,582
Operating loss	\$ (31,325)
<b>Net assets - beginning</b>	<b>472,001</b>
<b>Net assets - ending</b>	<b>\$ 440,676</b>

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

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010**

	<b><u>Enterprise Fund Workshops</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from workshops	\$ 259,880
Payments to suppliers and providers of goods and services	(227,563)
Payments to employees	(81,935)
Net cash used in operating activities	\$ (49,618)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	(2,478)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	\$ (52,096)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	467,291
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 415,195
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (31,325)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	15,080
Change in assets and liabilities:	
Increase in other assets	(6,377)
Decrease in accounts payable	(9,802)
Decrease in accrued expenses	(17,194)
<b>Net cash used in operating activities</b>	<b>\$ (49,618)</b>

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
JUNE 30, 2010

**Agency  
Funds**

<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>43,104</u>
<b>LIABILITIES</b>	
Due to others	\$ 13,195
Due to other government and agencies	29,909
Total liabilities	\$ <u>43,104</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, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The functions of the ROE also include, but are not limited to, the following:

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

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

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

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

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

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 the ROE. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by intergovernmental and local revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the ROE'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 provision 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.

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

The ROE reports the following major governmental funds:

The General Fund is the operating fund of the ROE. The General Fund, which consists of the ROE Operations Fund, accounts for all financial resources except those required to be accounted for in another fund.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

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

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

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

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

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

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

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

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.

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.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

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

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

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

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

Gifted Education – used to account for grant monies received for and expenditures incurred to provide education to teachers to help identify gifted and talented learners, provide support and address their diverse need and facilitate at least a year's achievement of growth and development.

Smaller Learning Communities Grant – to create smaller, more personalized learning environments at Moline, Rock Island and United Township high schools.

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.

Title I – Reading First – to account for grant monies received for, and payment of, the Title I – Reading First Program.

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The ROE 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.

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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 be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end. Revenues received more than 60 days after the end of the current period are recognized as current revenues in the government-wide financial statements, and as deferred revenue in the governmental fund financial statements.

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the ROE.

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

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

Under the terms of grant agreements, the ROE funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the ROE's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

Under the provisions of GASB No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the ROE applies all applicable GASB pronouncements and has elected to apply only the pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Statement and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedures.

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

D. Assets, Liabilities and Fund Equity

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

Cash and investments – The cash and investment balances of the ROE 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 Statements 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 the ROE as assets with an initial, individual cost in excess of \$500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 5-10 years.

Deferred 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, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Budgets and Budgetary Accounting

The ROE does not adopt a formal budget for all revenues and expenditures of the governmental funds and is not required to do so. Certain programs administered by the ROE are subject to budget approval by the State of Illinois (ROE Operations, Mathematics and Science Partnership, Title IV – 21<sup>st</sup> Century – Intermediate Academy, Title IV – 21<sup>st</sup> Century – Edison, Title IV – 21<sup>st</sup> Century – John Deere Middle School, Technology For Success, 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, Gifted Education, Beginning Teacher Mentoring, Early Childhood Prevention Initiative, Title I – Reading First, Title IV – 21<sup>st</sup> Century-Primary, Title IV – 21<sup>st</sup> Century – Rock Island High School, Title IV - 21<sup>st</sup> Century – Moline High School, and Title IV - 21<sup>st</sup> Century – Washington Junior High School.

F. Subsequent Events

Management has evaluated subsequent events through September 14, 2011, the date the financial statements were available to be issued.

NOTE 2: CASH AND CASH EQUIVALENTS

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

Deposits

At June 30, 2010, the carrying amount of the ROE's deposits was \$900,741 and the bank balance was \$1,181,807.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the ROE's deposits may not be returned. The ROE does not have a deposit policy for custodial credit risk. As of June 30, 2010, all of the ROE's deposits were covered by FDIC insurance of \$250,000 at June 30, 2010 and another 962,874 was collateralized by securities pledged by the ROE's financial institution in the ROE's name.

Investments

The ROE does not have a formal investment policy. However, the ROE is authorized under the State of Illinois Public Funds Investment Act to invest in various financial instruments including Illinois Funds. At June 30, 2010, the ROE had investments with carrying and fair values of \$31,067 invested in the Illinois Funds Money Market Fund.

Credit Risk - At June 30, 2010, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investments Act (30 ILCS 235). All investments are fully collateralized.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2010

NOTE 2: CASH AND CASH EQUIVALENTS - continued

Interest Rate Risk - The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment options with a competitive rate of return on fully collateralized investments and immediate access to funds. The investment policy of the Illinois Funds Money Market Funds states that unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

Concentration of Credit Risk - Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio with the exception of cash equivalents and U. S. Treasury securities. Further, certificates of deposit cannot exceed 10% of any single financial institution's total deposits.

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

	<u>Carrying Amount</u>
Cash and cash equivalents – Governmental Activities	\$ 473,509
Cash and cash equivalents – Business-type Activities	415,195
Cash and cash equivalents – Agency	<u>43,104</u>
<b>Total</b>	<b><u>\$ 931,808</u></b>

NOTE 3: DUE FROM/TO OTHER GOVERNMENTS

Amounts due from other governments as of June 30, 2010 are as follows:

	<u>Due Less Than 60 Days</u>	<u>Due Over 60 Days</u>
Education Fund – Due from ISBE		
Title IV – 21 <sup>st</sup> Century Intermediate Academy	\$ 20,000	\$ -
Title IV – 21 <sup>st</sup> Century Edison Junior High	23,674	-
Title IV – 21 <sup>st</sup> Century Primary	-	23,894
Technology Program	-	-
Regional Safe Schools	-	-
Truants' Alt. and Optional Education	16,626	24,945
Early Childhood Ages 0-3	7,000	11,963
Early Childhood Ages 3-5	175,000	325,573
Early Childhood Pre-K	180,000	124,800
Early Childhood Prevention Initiative	26,000	52,000
McKinney Education for Homeless Children	10,812	-
Regional Safe School Program	35,986	71,977
Beginning Teacher Mentoring	<b>\$ 115,991</b>	<b>\$ 78,673</b>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2010

NOTE 3: DUE FROM/TO OTHER GOVERNMENTS – continued

Title I – Reading First	7,076	-
Technology for Success	23,926	18,833
ROE/ISC Operations	-	55,423
Due from state governments		
RESPRO	3,270	-
Other Nonmajor Funds – Due from local governments		
General Education Development	50	-
School Bus Driver Training	<u>258</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 645,669</u></b>	<b><u>\$ 788,081</u></b>

**Total Due from Other Governments** **\$1,433,750**

Amounts due over 60 days from other governments are reported as revenues only on the government-wide financial statements.

Amounts due to other governments as of June 30, 2010 are as follows:

Agency Fund	
Distributive	
Due to various local governmental agencies	<u>\$ 29,909</u>

NOTE 4: CAPITAL ASSETS

Governmental Activities:

Capital asset activity for the year ended June 30, 2010 is as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Furniture and equipment	\$ 288,582	\$ 48,107	\$ -	\$ 336,689
Accumulated depreciation	<u>(255,127)</u>	<u>(33,218)</u>	<u>-</u>	<u>(288,345)</u>
Governmental activities capital				
Assets, net	<u>\$ 33,455</u>	<u>\$ 14,889</u>	<u>\$ -</u>	<u>\$ 48,344</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2010

NOTE 4: CAPITAL ASSETS - continued

Business-type Activities:

Capital asset activity for the year ended June 30, 2010 is as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Furniture and equipment	\$ 126,727	\$ 2,478	\$ -	\$ 129,205
Accumulated depreciation	<u>(96,135)</u>	<u>(15,080)</u>	<u>-</u>	<u>(111,215)</u>
Business-type activities capital assets, net	<u>\$ 30,592</u>	<u>\$ (12,602)</u>	<u>\$ -</u>	<u>\$ 17,990</u>

Depreciation expense was charged as follows:

Governmental activities:

Instruction:

Depreciation expense \$ 33,218

Business-type activities:

Other:

Depreciation expense \$ 15,080

NOTE 5: EMPLOYEE BENEFIT PLAN

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

Rock Island County is a participating member of the Illinois Municipal Retirement Fund whose coverage includes all ROE 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 ROE 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 the ROE are paid by the State of Illinois. Certain staff employees of the ROE's office are employed and paid by Rock Island County (other support staff and grant coordinators are paid by the ROE through grant monies). The ROE has no separate employee benefit plan.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2010

NOTE 5: EMPLOYEE BENEFIT PLAN - continued

Illinois Municipal Retirement Fund

**Plan Description.** The ROE'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 ROE's 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 report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy.** As set by statute, the ROE's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 8.05 percent of annual covered payroll. The ROE also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost.** For fiscal year ending December 31, 2009, the ROE's annual pension cost of \$67,464 for the regular plan was equal to the ROE's required and actual contributions.

Three-Year Trend Information for the Regular Plan

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/09	\$ 67,464	100%	\$ -
12/31/08	78,348	100%	-
12/31/07	53,308	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% 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 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 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.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE 5: EMPLOYEE BENEFIT PLAN - continued

Illinois Municipal Retirement Fund

**Funded Status and Funding Progress.** As of December 31, 2009, the most recent actuarial valuation date, the regular plan was 100.47 percent funded. The actuarial accrued liability for benefits was \$517,491 and the actuarial value of assets was \$519,910, resulting in an overfunded actuarial accrued liability (UAAL) of \$2,419. The covered payroll (annual payroll of active employees covered by the plan) was \$838,069 and there is no ratio of the UAAL to the covered payroll since the plan is overfunded. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the overfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10 year basis.

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

NOTE 6: RETIREMENT PLANS

A. Teacher's Retirement System

The ROE 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 through June 30, 2010 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. The active member contribution rate was also 9.4 percent for the years ended June 30, 2009 and 2008.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE 6: RETIREMENT PLANS - continued

A. Teacher's Retirement System - continued

The State of Illinois makes contributions directly to TRS on behalf of the ROE's TRS-covered employees.

- On Behalf Contributions

The State of Illinois makes employer pension contributions on behalf of the ROE. For the year ended June 30, 2010, State of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the ROE recognized revenue and expenditures of \$183,175 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009 and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08 percent (\$74,676) and 13.11 percent (\$58,068), respectively.

The ROE makes other types of employer contributions directly to TRS.

- 2.2 Formula Contributions

Employers contributed 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contribution for the year ending June 30, 2010 were \$3,478. Contributions for the years ended June 30, 2009 and June 30, 2008, were \$4,608 and \$3,583, respectively.

- Federal and Special Trust Fund Contributions

When TRS members are paid from federal and special trust funds administered by the ROE, there is a statutory requirement for the ROE to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2009 and 2008, the employer pension contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$94,627 were paid from federal and special trust funds that required employer contributions of \$22,124. For the years ended June 30, 2009 and June 30, 2008, required ROE contributions were \$7,238 and \$-0-, respectively.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE 6: RETIREMENT PLANS - continued

A. Teacher's Retirement System - continued

- Early Retirement Option

The ROE 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.

Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The Act increased member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

Under current ERO, the maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the years ended June 30, 2010, 2009 and June 30, 2008, the ROE made no payments in employer ERO contributions.

- Salary increases over 6 percent and excess sick leave.

Public Act 94-0004 added two new employer contributions to TRS.

If the ROE grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the ROE 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, 2010, 2009, and 2008, the ROE paid no employer contributions due on salary increases in excess of 6 percent.

If the ROE grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the ROE 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 (18.55 percent of salary during the year ended June 30, 2010). For the years ended June 30, 2010, 2009 and 2008, there were no sick leave days granted in excess of the 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, 2009. The report for the year ended June 30, 2010 is expected to be available in late 2010.

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 Website at [trs.illinois.gov](http://trs.illinois.gov).

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE 6: RETIREMENT PLANS - continued

B. Teacher Health Insurance System

The ROE participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers outside the city of Chicago.

The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of TRS. Annuitants may participate in the State administered participating provider option plan or choose from several managed care options. The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund, and amendments to the plan can only be made by legislative action with the Governor's approval.

The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the State to make a contribution to THIS.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

- **On behalf payments to the THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the ROE. State contributions are intended to match contributions to the THIS Fund from active members which were .84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$7,376, and the ROE recognized revenue and expenditures of this amount during the year.
- **Employer contributions to the THIS Fund.** The ROE also makes contributions to the THIS Fund. The employer THIS Fund contribution was .63 percent during the years ended June 30, 2010, 2009, and 2008. For the year ended June 30, 2010, the ROE paid \$4,373 to the THIS Fund.

Had the ROE recognized revenue and expenditures for State contributions intended to match active member contributions during the years ended June 30, 2009 and 2008, under the current standards, the contribution match would have been .84 percent of pay or \$6,674 and \$5,189, respectively.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

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 investments is made; i.e. the owner of the funds.

At June 30, 2010, undistributed interest earnings credited to other governments and organizations are as follows:

State and Federal Aid Distributive Fund	<u>\$ 29,909</u>
-----------------------------------------	------------------

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, 2010 is as follows:

Regional Superintendent salary	\$ 100,762
Regional Superintendent benefits (Includes State paid insurance)	22,913
Assistant Regional Superintendent salary	83,129
Assistant Regional Superintendent benefits (Includes State paid insurance)	1,205
County On-behalf payments	47,482
TRS On-behalf payments	183,175
THIS On-behalf payments	<u>7,376</u>
<b>Total</b>	<b><u>\$ 446,042</u></b>

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.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010

NOTE 9: DEFICIT FUND BALANCES

At June 30, 2010, the following funds had deficit fund balances.

General Fund	\$ (55,423)
Education Fund:	
Title IV – 21 <sup>st</sup> Century - Primary	(23,894)
Early Childhood Ages 0-3	(11,963)
Early Childhood Ages 3-5	(325,573)
Early Childhood Pre-K	(124,800)
Early Childhood Prevention Initiative	(52,000)
Truants' Alternative and Optional Education	(24,945)
Regional Safe School Program	(55,567)
Beginning Teacher Mentoring	(78,673)
Technology for Success	(18,833)

NOTE 10: RISK MANAGEMENT

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

NOTE 11: NEW PRONOUNCEMENTS

In 2010, the ROE adopted GASB Statement No. 51, *Accounting and Reporting for Intangible Assets*; GASB Statement No. 53, *Accounting and Reporting for Derivative Instruments*; and GASB No. 58, *Accounting and Reporting for Chapter 9 Bankruptcies*. The ROE implemented these standards during the current year; however, there was no significant impact of the implementation of GASB No. 51, 53, and 58 on the financial statements.

NOTE 12: RESTATEMENT OF BEGINNING NET ASSETS/FUND BALANCE

The Smaller Learning Communities grant had been reported in the enterprise fund in prior years. In the current year, it was reported as an education fund in the governmental funds and government-wide financial statements. An accounts payable at June 30, 2009 in the Smaller Learning Communities fund in the amount of \$80,806 was reclassified to the education fund. This had the effect of increasing the beginning enterprise fund net assets by \$80,806 and decreasing the beginning education fund net assets by the same amount.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2010

NOTE 13: DUE TO/FROM OTHER FUNDS

Funds periodically borrow from other funds to cover temporary cash shortages. These loans are usually paid in full within a few months. No interest is charged on the loans outstanding. Following is a summary of the outstanding amounts due from (to) other funds as of June 30, 2010:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Education Fund	\$228,241	\$363,680
Institute Fund	138,878	-
General Education Development	25,237	-
School Bus Driver Training	1,547	-
General Fund	-	30,223
Total	<u>\$393,903</u>	<u>\$393,903</u>

NOTE 14: DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

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

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

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

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 SCHEDULE OF FUNDING PROGRESS  
 ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)(Unaudited)  
 JUNE 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio Percentage (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2009	\$ 519,910	\$ 517,491	\$ (2,419)	100.47	\$ 838,069	0.00
12/31/2008	421,431	433,157	11,726	97.29	847,921	1.38
12/31/2007	358,964	349,925	(9,039)	102.58	548,433	0.00

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$504,900

On a market basis, the funded ratio would be 97.57%

See Accompanying Independent Auditors' Report

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49

OTHER SUPPLEMENTARY INFORMATION

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - ROE OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 1**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ 37	\$ 37
State sources	105,214	123,033	67,610	(55,423)
On-behalf payments	-	-	446,042	446,042
Total revenues	\$ 105,214	\$ 123,033	\$ 513,689	\$ 390,656
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries	\$ 54,869	\$ 66,726	\$ 71,186	\$ (4,460)
Benefits	9,000	11,312	11,380	(68)
Purchased services	14,058	14,058	11,901	2,157
Supplies and materials	4,737	4,737	1,395	3,342
Capital outlay	-	-	-	-
Other objects	1,000	1,000	-	1,000
Payments to other governments	21,550	25,200	25,200	-
On-behalf payments	-	-	446,042	(446,042)
Total expenditures	\$ 105,214	\$ 123,033	\$ 567,104	\$ (444,071)
<b>NET CHANGE IN FUND BALANCE</b>			\$ (53,415)	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			(2,008)	
<b>FUND BALANCE, END OF YEAR</b>			\$ (55,423)	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2010

SCHEDULE 2

	Title IV - 21st Century <u>Primary</u>	Title IV - 21st Century Intermediate <u>Academy</u>	Title IV - 21st Century Edison <u>Jr. High</u>	Title IV - 21st Century John Deere <u>Middle School</u>	Title IV - 21st Century Rock Island <u>High School</u>	Title IV - 21st Century Moline <u>High School</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 48,376	\$ 61,480	\$ 35,147	\$ 42,543	\$ 53,507	\$ 78,988
Due from other funds	-	-	-	-	-	-
Due from other governments	23,894	20,000	23,674	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 72,270</b>	<b>\$ 81,480</b>	<b>\$ 58,821</b>	<b>\$ 42,543</b>	<b>\$ 53,507</b>	<b>\$ 78,988</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 71,192	\$ 62,915	\$ 57,594	\$ 32,013	\$ 30,021	\$ 43
Accrued expenses	1,078	-	714	863	857	31
Due to other funds	-	-	-	-	-	-
Deferred revenue	23,894	18,565	513	9,667	22,629	78,914
Total liabilities	\$ 96,164	\$ 81,480	\$ 58,821	\$ 42,543	\$ 53,507	\$ 78,988
<b>FUND BALANCES, UNRESERVED</b>	<b>(23,894)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED</b>	<b>\$ 72,270</b>	<b>\$ 81,480</b>	<b>\$ 58,821</b>	<b>\$ 42,543</b>	<b>\$ 53,507</b>	<b>\$ 78,988</b>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2010**

**SCHEDULE 2**

<b>ASSETS</b>	<b>Title IV - 21st Century Washington Jr. High</b>	<b>Early Childhood Ages 0-3</b>	<b>Early Childhood Ages 3-5</b>	<b>Early Childhood Pre-K</b>	<b>Early Childhood Prevention Initiative</b>	<b>Truants' Alt. and Optional Education</b>
Cash and cash equivalents	\$ 72,571	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	9,812	-	-
Due from other governments	-	18,963	500,573	304,800	78,000	41,571
<b>TOTAL ASSETS</b>	<b>\$ 72,571</b>	<b>\$ 18,963</b>	<b>\$ 500,573</b>	<b>\$ 314,612</b>	<b>\$ 78,000</b>	<b>\$ 41,571</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 47,328	\$ -	\$ 367,803	\$ 314,612	\$ 10,575	\$ -
Accrued expenses	749	-	-	-	-	-
Due to other funds	-	18,963	132,770	-	67,425	41,571
Deferred revenue	24,494	11,963	325,573	124,800	52,000	24,945
Total liabilities	\$ 72,571	\$ 30,926	\$ 826,146	\$ 439,412	\$ 130,000	\$ 66,516
<b>FUND BALANCES, UNRESERVED</b>	<b>-</b>	<b>(11,963)</b>	<b>(325,573)</b>	<b>(124,800)</b>	<b>(52,000)</b>	<b>(24,945)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED</b>	<b>\$ 72,571</b>	<b>\$ 18,963</b>	<b>\$ 500,573</b>	<b>\$ 314,612</b>	<b>\$ 78,000</b>	<b>\$ 41,571</b>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2010

SCHEDULE 2

	<u>McKinney Education for Homeless Children</u>	<u>Regional Safe Schools Program</u>	<u>RESPRO</u>	<u>Tyson Settlement Program</u>	<u>Mathematics and Science Partnership</u>	<u>Gifted Education</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 80,897	\$ -
Due from other funds	-	43,785	33,214	215	96,275	33,752
Due from other governments	10,812	107,963	3,270	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 10,812</b>	<b>\$ 151,748</b>	<b>\$ 36,484</b>	<b>\$ 215</b>	<b>\$ 177,172</b>	<b>\$ 33,752</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 135,338	\$ -	\$ -	\$ 20,009	\$ 2,086
Accrued expenses	-	-	-	-	3,348	-
Due to other funds	10,812	-	-	-	-	-
Deferred revenue	-	71,977	-	-	153,815	31,666
Total liabilities	\$ 10,812	\$ 207,315	\$ -	\$ -	\$ 177,172	\$ 33,752
<b>FUND BALANCES (DEFICIT), UNRESERVED</b>	<b>-</b>	<b>(55,567)</b>	<b>36,484</b>	<b>215</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED</b>	<b>\$ 10,812</b>	<b>\$ 151,748</b>	<b>\$ 36,484</b>	<b>\$ 215</b>	<b>\$ 177,172</b>	<b>\$ 33,752</b>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2010

SCHEDULE 2

	<u>Smaller Learning Communities Grant</u>	<u>Beginning Teacher Mentoring</u>	<u>DCEO</u>	<u>Title I - Reading First</u>	<u>Technology for Success</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 473,509
Due from other funds	-	-	11,188	-	-	228,241
Due from other governments	-	194,664	-	7,076	42,759	1,378,019
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 194,664</u>	<u>\$ 11,188</u>	<u>\$ 7,076</u>	<u>\$ 42,759</u>	<u>\$ 2,079,769</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 145,519	\$ -	\$ -	\$ 4,697	\$ 1,301,745
Accrued expenses	-	2,144	-	-	-	9,784
Due to other funds	-	47,001	-	7,076	38,062	363,680
Deferred revenue	-	78,673	-	-	18,833	1,072,921
Total liabilities	\$ -	\$ 273,337	\$ -	\$ 7,076	\$ 61,592	\$ 2,748,130
<b>FUND BALANCES (DEFICIT), UNRESERVED</b>	<u>-</u>	<u>(78,673)</u>	<u>11,188</u>	<u>-</u>	<u>(18,833)</u>	<u>(668,361)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT), UNRESERVED</b>	<u>\$ -</u>	<u>\$ 194,664</u>	<u>\$ 11,188</u>	<u>\$ 7,076</u>	<u>\$ 42,759</u>	<u>\$ 2,079,769</u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 3**

	<u>Title IV - 21st Century Primary</u>	<u>Title IV - 21st Century Intermediate Academy</u>	<u>Title IV - 21st Century Edison Jr. High</u>	<u>Title IV - 21st Century John Deere Middle School</u>	<u>Title IV - 21st Century Rock Island High School</u>	<u>Title IV - 21st Century Moline High School</u>
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	110,000	121,513	113,161	106,929	77,371	41,086
Total revenues	<u>\$ 110,000</u>	<u>\$ 121,513</u>	<u>\$ 113,161</u>	<u>\$ 106,929</u>	<u>\$ 77,371</u>	<u>\$ 41,086</u>
<b>EXPENDITURES:</b>						
Current:						
Education:						
Salaries	\$ 11,614	\$ 10,696	\$ 10,330	\$ 12,421	\$ 10,473	\$ 10,567
Benefits	2,156	2,180	2,036	2,498	2,028	2,156
Purchased services	119,344	107,767	99,743	89,994	64,088	27,698
Supplies and materials	780	870	1,052	2,016	782	665
Capital Outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 133,894</u>	<u>\$ 121,513</u>	<u>\$ 113,161</u>	<u>\$ 106,929</u>	<u>\$ 77,371</u>	<u>\$ 41,086</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (23,894)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCE, UNRESERVED, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, UNRESERVED, END OF YEAR</b>	<u><u>\$ (23,894)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 3**

	<u>Title IV - 21st Century Washington Jr. High</u>	<u>Early Childhood Ages 0-3</u>	<u>Early Childhood Ages 3-5</u>	<u>Early Childhood Pre-K</u>	<u>Early Childhood Prevention Initiative</u>	<u>Truants' Alt. and Optional Education</u>
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 128	\$ -
State sources	-	37,000	700,000	750,000	128,000	58,191
Federal sources	95,506	-	-	-	-	-
Total revenues	<u>\$ 95,506</u>	<u>\$ 37,000</u>	<u>\$ 700,000</u>	<u>\$ 750,000</u>	<u>\$ 128,128</u>	<u>\$ 58,191</u>
<b>EXPENDITURES:</b>						
Current:						
Education:						
Salaries	\$ 11,286	\$ 37,675	\$ 352,762	\$ 357,559	\$ 102,399	\$ 68,839
Benefits	2,158	5,178	25,958	24,471	15,448	10,399
Purchased services	81,419	5,036	638,614	485,310	59,322	3,835
Supplies and materials	643	1,074	8,239	7,460	2,959	63
Capital Outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 95,506</u>	<u>\$ 48,963</u>	<u>\$ 1,025,573</u>	<u>\$ 874,800</u>	<u>\$ 180,128</u>	<u>\$ 83,136</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	\$ (11,963)	\$ (325,573)	\$ (124,800)	\$ (52,000)	\$ (24,945)
<b>FUND BALANCE, UNRESERVED, BEGINNING OF YEAR</b>	-	-	-	-	-	-
<b>FUND BALANCE, UNRESERVED, END OF YEAR</b>	<u>\$ -</u>	<u>\$ (11,963)</u>	<u>\$ (325,573)</u>	<u>\$ (124,800)</u>	<u>\$ (52,000)</u>	<u>\$ (24,945)</u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 3**

	<b>McKinney Education for Homeless Children</b>	<b>Regional Safe Schools Program</b>	<b>RESPRO</b>	<b>Tyson Settlement Program</b>	<b>Mathematics and Science Partnership</b>	<b>Gifted Education</b>
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 30,200	\$ -	\$ -
State sources	-	273,641	-	-	-	54,152
Federal sources	30,332	32,820	272,518	-	336,251	-
Total revenues	<u>\$ 30,332</u>	<u>\$ 306,461</u>	<u>\$ 272,518</u>	<u>\$ 30,200</u>	<u>\$ 336,251</u>	<u>\$ 54,152</u>
<b>EXPENDITURES:</b>						
Current:						
Education:						
Salaries	\$ 8,163	\$ 51,255	\$ 100,754	\$ -	\$ 83,832	\$ 21,095
Benefits	1,324	8,084	12,465	-	19,333	1,120
Purchased services	8,526	302,563	166,409	34,025	106,764	16,302
Supplies and materials	12,319	126	1,347	7,997	75,744	12,236
Capital Outlay	-	-	-	-	45,660	-
Total expenditures	<u>\$ 30,332</u>	<u>\$ 362,028</u>	<u>\$ 280,975</u>	<u>\$ 42,022</u>	<u>\$ 331,333</u>	<u>\$ 50,753</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	\$ (55,567)	\$ (8,457)	\$ (11,822)	\$ 4,918	\$ 3,399
<b>FUND BALANCE, UNRESERVED, BEGINNING OF YEAR</b>	-	-	44,941	12,037	(4,918)	(3,399)
<b>FUND BALANCE, UNRESERVED, END OF YEAR</b>	<u>\$ -</u>	<u>\$ (55,567)</u>	<u>\$ 36,484</u>	<u>\$ 215</u>	<u>\$ -</u>	<u>\$ -</u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 3**

	<u>Smaller Learning Communities Grant</u>	<u>Beginning Teacher Mentoring</u>	<u>DCEO</u>	<u>Title I - Reading First</u>	<u>Technology for Success</u>	<u>Total</u>
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,328
State sources	-	312,003	-	-	80,404	2,393,391
Federal sources	641,979	-	-	7,076	-	1,986,542
Total revenues	<u>\$ 641,979</u>	<u>\$ 312,003</u>	<u>\$ -</u>	<u>\$ 7,076</u>	<u>\$ 80,404</u>	<u>\$ 4,410,261</u>
<b>EXPENDITURES:</b>						
Current:						
Education:						
Salaries	\$ -	\$ 62,177	\$ -	\$ -	\$ 61,817	\$ 1,385,714
Benefits	-	1,520	-	-	9,521	150,033
Purchased services	561,173	317,445	-	401	24,757	3,320,535
Supplies and materials	-	9,534	-	6,675	695	153,276
Capital Outlay	-	-	-	-	2,447	48,107
Total expenditures	<u>\$ 561,173</u>	<u>\$ 390,676</u>	<u>\$ -</u>	<u>\$ 7,076</u>	<u>\$ 99,237</u>	<u>\$ 5,057,665</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ 80,806	\$ (78,673)	\$ -	\$ -	\$ (18,833)	\$ (647,404)
<b>FUND BALANCE, UNRESERVED, BEGINNING OF YEAR</b>	<u>(80,806)</u>	<u>-</u>	<u>11,188</u>	<u>-</u>	<u>-</u>	<u>(20,957)</u>
<b>FUND BALANCE, UNRESERVED, END OF YEAR</b>	<u>\$ -</u>	<u>\$ (78,673)</u>	<u>\$ 11,188</u>	<u>\$ -</u>	<u>\$ (18,833)</u>	<u>\$ (668,361)</u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 4**

	<b>Mathematics and Science Partnership</b>				<b>Title IV - 21st Century Intermediate Academy</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	582,210	582,210	336,251	(245,959)	147,000	147,000	121,513	(25,487)
<b>Total revenues</b>	<b>\$ 582,210</b>	<b>\$ 582,210</b>	<b>\$ 336,251</b>	<b>\$ (245,959)</b>	<b>\$ 147,000</b>	<b>\$ 147,000</b>	<b>\$ 121,513</b>	<b>\$ (25,487)</b>
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	\$ 99,718	\$ 99,718	\$ 83,832	\$ 15,886	\$ 15,220	\$ 13,930	\$ 10,696	\$ 3,234
Benefits	22,749	22,749	19,333	3,416	3,505	3,182	2,180	1,002
Purchased services	244,421	244,421	106,764	137,657	127,225	129,313	107,767	21,546
Supplies and materials	161,122	161,122	75,744	85,378	1,050	575	870	(295)
Capital outlay	54,200	54,200	45,660	8,540	-	-	-	-
<b>Total expenditures</b>	<b>\$ 582,210</b>	<b>\$ 582,210</b>	<b>\$ 331,333</b>	<b>\$ 250,877</b>	<b>\$ 147,000</b>	<b>\$ 147,000</b>	<b>\$ 121,513</b>	<b>\$ 25,487</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,918</b>	<b>\$ 4,918</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			(4,918)				-	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			<b>\$ -</b>				<b>\$ -</b>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 4**

	Title IV - 21st Century - Edison				Title IV - 21st Century John Deere Middle School			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
State sources	\$ -	\$ -	-	-	\$ -	\$ -	-	-
Federal sources	122,000	122,000	113,161	(8,839)	125,000	125,000	106,929	(18,071)
<b>Total revenues</b>	<b>122,000</b>	<b>122,000</b>	<b>113,161</b>	<b>(8,839)</b>	<b>125,000</b>	<b>125,000</b>	<b>106,929</b>	<b>(18,071)</b>
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	12,460	11,110	10,330	780	15,930	13,865	12,421	1,444
Benefits	2,910	2,553	2,036	517	3,670	3,125	2,498	627
Purchased services	105,500	107,207	99,743	7,464	103,400	106,510	89,994	16,516
Supplies and materials	1,130	1,130	1,052	78	2,000	1,500	2,016	(516)
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>122,000</b>	<b>122,000</b>	<b>113,161</b>	<b>8,839</b>	<b>125,000</b>	<b>125,000</b>	<b>106,929</b>	<b>18,071</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			-				-	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			<b>\$ -</b>				<b>\$ -</b>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 4**

	<b>Technology For Success</b>				<b>Regional Safe Schools Program *</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>								
State sources	\$ 94,137	\$ 99,237	\$ 80,404	\$ (18,833)	\$ 197,928	\$ 197,928	\$ 273,641	\$ 75,713
Federal sources	-	-	-	-	-	-	32,820	32,820
<b>Total revenues</b>	<b>\$ 94,137</b>	<b>\$ 99,237</b>	<b>\$ 80,404</b>	<b>\$ (18,833)</b>	<b>197,928</b>	<b>197,928</b>	<b>\$ 306,461</b>	<b>\$ 108,533</b>
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	\$ 60,989	\$ 60,989	\$ 61,817	\$ (828)	\$ 49,206	\$ 49,206	\$ 51,255	\$ (2,049)
Benefits	9,654	9,654	9,521	133	6,778	6,778	8,084	(1,306)
Purchased services	20,395	25,495	24,757	738	141,574	141,574	302,563	(160,989)
Supplies and materials	599	599	695	(96)	370	370	126	244
Capital outlay	2,500	2,500	2,447	53	-	-	-	-
<b>Total expenditures</b>	<b>\$ 94,137</b>	<b>\$ 99,237</b>	<b>\$ 99,237</b>	<b>\$ -</b>	<b>\$ 197,928</b>	<b>\$ 197,928</b>	<b>\$ 362,028</b>	<b>\$ (164,100)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (18,833)</b>	<b>\$ (18,833)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (55,567)</b>	<b>\$ (55,567)</b>
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			-				-	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			<b>\$ (18,833)</b>				<b>\$ (55,567)</b>	

\*Contains General State Aid Money not budgeted.

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 4**

	<u>Truants' Alt. and Optional Education</u>				<u>Early Childhood Ages 0-3</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>								
State sources	\$ 83,136	\$ 83,136	\$ 58,191	\$ (24,945)	\$ 48,963	\$ 48,963	\$ 37,000	\$ (11,963)
Federal sources	-	-	-	-	-	-	-	-
Total revenues	<u>\$ 83,136</u>	<u>\$ 83,136</u>	<u>\$ 58,191</u>	<u>\$ (24,945)</u>	<u>\$ 48,963</u>	<u>\$ 48,963</u>	<u>\$ 37,000</u>	<u>\$ (11,963)</u>
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	\$ 69,699	\$ 69,699	\$ 68,839	\$ 860	\$ 37,600	\$ 37,600	\$ 37,675	\$ (75)
Benefits	10,420	10,420	10,399	21	5,102	5,102	5,178	(76)
Purchased services	2,817	2,817	3,835	(1,018)	3,870	3,870	5,036	(1,166)
Supplies and materials	200	200	63	137	2,391	2,391	1,074	1,317
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>\$ 83,136</u>	<u>\$ 83,136</u>	<u>\$ 83,136</u>	<u>\$ -</u>	<u>\$ 48,963</u>	<u>\$ 48,963</u>	<u>\$ 48,963</u>	<u>\$ -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,945)</u>	<u>\$ (24,945)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,963)</u>	<u>\$ (11,963)</u>
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			-				-	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			<u>\$ (24,945)</u>				<u>\$ (11,963)</u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 4**

	Early Childhood Ages 3-5				Early Childhood Pre-K			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
State sources	\$ 1,025,573	\$ 1,025,573	\$ 700,000	\$ (325,573)	\$ 874,800	\$ 874,800	\$ 750,000	\$ (124,800)
Federal sources	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 1,025,573</b>	<b>\$ 1,025,573</b>	<b>\$ 700,000</b>	<b>\$ (325,573)</b>	<b>\$ 874,800</b>	<b>\$ 874,800</b>	<b>\$ 750,000</b>	<b>\$ (124,800)</b>
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	\$ 413,990	\$ 355,671	\$ 352,762	\$ 2,909	\$ 404,806	\$ 366,697	\$ 357,559	\$ 9,138
Benefits	28,663	26,538	25,958	580	26,889	26,014	24,471	1,543
Purchased services	570,232	630,676	638,614	(7,938)	439,505	476,489	485,310	(8,821)
Supplies and materials	12,688	12,688	8,239	4,449	3,600	5,600	7,460	(1,860)
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 1,025,573</b>	<b>\$ 1,025,573</b>	<b>\$ 1,025,573</b>	<b>\$ -</b>	<b>\$ 874,800</b>	<b>\$ 874,800</b>	<b>\$ 874,800</b>	<b>\$ -</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (325,573)</b>	<b>\$ (325,573)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (124,800)</b>	<b>\$ (124,800)</b>
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			-				-	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			<b>\$ (325,573)</b>				<b>\$ (124,800)</b>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 4**

	<b>McKinney Education for Homeless Children</b>				<b>Gifted Education</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>								
State sources	\$ -	\$ -	\$ -	\$ -	\$ 85,818	\$ 85,818	\$ 54,152	\$ (31,666)
Federal sources	30,332	30,332	30,332	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 30,332</b>	<b>\$ 30,332</b>	<b>\$ 30,332</b>	<b>\$ -</b>	<b>\$ 85,818</b>	<b>\$ 85,818</b>	<b>\$ 54,152</b>	<b>\$ (31,666)</b>
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	\$ 7,800	\$ 7,800	\$ 8,163	\$ (363)	\$ 37,848	\$ 20,424	\$ 21,095	\$ (671)
Benefits	1,225	1,225	1,324	(99)	1,725	1,260	1,120	140
Purchased services	10,469	10,469	8,526	1,943	25,800	51,300	16,302	34,998
Supplies and materials	10,838	10,838	12,319	(1,481)	20,445	12,834	12,236	598
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 30,332</b>	<b>\$ 30,332</b>	<b>\$ 30,332</b>	<b>\$ -</b>	<b>\$ 85,818</b>	<b>\$ 85,818</b>	<b>\$ 50,753</b>	<b>\$ 35,065</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,399</b>	<b>\$ 3,399</b>
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			-				(3,399)	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			<b>\$ -</b>				<b>\$ -</b>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 4**

	<u>Beginning Teacher Mentoring</u>				<u>Early Childhood Prevention Initiative</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128	\$ 128
State sources	241,127	241,127	312,003	70,876	180,000	180,000	128,000	(52,000)
Federal sources	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 241,127</b>	<b>\$ 241,127</b>	<b>\$ 312,003</b>	<b>\$ 70,876</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>	<b>\$ 128,128</b>	<b>\$ (51,872)</b>
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	\$ 52,528	\$ 52,528	\$ 62,177	\$ (9,649)	\$ 141,663	\$ 103,902	\$ 102,399	\$ 1,503
Benefits	1,739	1,739	1,520	219	21,472	16,841	15,448	1,393
Purchased services	178,410	178,410	317,445	(139,035)	15,865	56,257	59,322	(3,065)
Supplies and materials	8,450	8,450	9,534	(1,084)	1,000	3,000	2,959	41
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 241,127</b>	<b>\$ 241,127</b>	<b>\$ 390,676</b>	<b>\$ (149,549)</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>	<b>\$ 180,128</b>	<b>\$ (128)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (78,673)</b>	<b>\$ (78,673)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (52,000)</b>	<b>\$ (52,000)</b>
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			-				-	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			<b>\$ (78,673)</b>				<b>\$ (52,000)</b>	

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2010

SCHEDULE 4

	Title I - Reading First				Title IV - 21st Century Primary			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	15,683	15,683	7,076	(8,607)	150,000	150,000	110,000	(40,000)
Total revenues	<u>\$ 15,683</u>	<u>\$ 15,683</u>	<u>\$ 7,076</u>	<u>\$ (8,607)</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 110,000</u>	<u>\$ (40,000)</u>
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	\$ 630	\$ 630	\$ -	\$ 630	\$ 13,578	\$ 12,178	\$ 11,614	\$ 564
Benefits	120	120	-	120	3,192	2,834	2,156	678
Purchased services	6,092	6,092	401	5,691	130,730	134,488	119,344	15,144
Supplies and materials	8,841	8,841	6,675	2,166	2,500	500	780	(280)
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>\$ 15,683</u>	<u>\$ 15,683</u>	<u>\$ 7,076</u>	<u>\$ 8,607</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 133,894</u>	<u>\$ 16,106</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,894)</u>	<u>\$ (23,894)</u>
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			-				-	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			<u>\$ -</u>				<u>\$ (23,894)</u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 4**

	Title IV - 21st Century Rock Island High School				Title IV - 21st Century Moline High School			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	118,050	118,050	77,371	(40,679)	150,000	150,000	41,086	(108,914)
<b>Total revenues</b>	<b>\$ 118,050</b>	<b>\$ 118,050</b>	<b>\$ 77,371</b>	<b>\$ (40,679)</b>	<b>\$ 150,000</b>	<b>150,000</b>	<b>\$ 41,086</b>	<b>\$ (108,914)</b>
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	\$ 10,140	\$ 9,510	\$ 10,473	\$ (963)	\$ 13,578	\$ 12,178	\$ 10,567	\$ 1,611
Benefits	2,160	1,970	2,028	(58)	3,192	2,834	2,156	678
Purchased services	105,050	105,870	64,088	41,782	132,230	134,488	27,698	106,790
Supplies and materials	700	700	782	(82)	1,000	500	665	(165)
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 118,050</b>	<b>\$ 118,050</b>	<b>\$ 77,371</b>	<b>\$ 40,679</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 41,086</b>	<b>\$ 108,914</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			-				-	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			<b>\$ -</b>				<b>\$ -</b>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SCHEDULE 4**

	<b>Title IV - 21st Century Washington Junior High School</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Amounts</u></b>	<b><u>Final Budget</u></b>
<b>REVENUES:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	150,000	150,000	95,506	(54,494)
Total revenues	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 95,506</u>	<u>\$ (54,494)</u>
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries	\$ 13,578	\$ 12,178	\$ 11,286	\$ 892
Benefits	3,192	2,834	2,158	676
Purchased services	132,230	134,488	81,419	53,069
Supplies and materials	1,000	500	643	(143)
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 95,506</u>	<u>\$ 54,494</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>			<u><u>\$ -</u></u>	

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2010**

**SCHEDULE 5**

	<u>General Education Development</u>	<u>School Bus Driver Training</u>	<u>Supervisory Expense</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other funds	25,237	1,547	-	26,784
Due from other governments	50	258	-	308
	\$ 25,287	\$ 1,805	\$ -	\$ 27,092
<b>TOTAL ASSETS</b>				
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 319	\$ -	\$ -	\$ 319
	24,968	1,805	-	26,773
<b>FUND BALANCES, UNRESERVED</b>				
	\$ 25,287	\$ 1,805	\$ -	\$ 27,092
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 25,287</b>	<b>\$ 1,805</b>	<b>\$ -</b>	<b>\$ 27,092</b>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED 30, 2010**

**SCHEDULE 6**

	<u>General Education Development</u>	<u>School Bus Driver Training</u>	<u>Supervisory Expense</u>	<u>Total</u>
<b>REVENUES:</b>				
Local sources	\$ 15,461	\$ 1,208	\$ -	\$ 16,669
State sources	-	802	1,000	1,802
Total revenues	15,461	\$ 2,010	\$ 1,000	\$ 18,471
<b>EXPENDITURES:</b>				
Current:				
Education:				
Purchased services	\$ 9,909	\$ 1,572	\$ 2,064	\$ 13,545
Supplies and materials	-	-	-	-
Other objects	-	-	-	-
Total expenditures	\$ 9,909	\$ 1,572	\$ 2,064	13,545
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	\$ 5,552	\$ 438	\$ (1,064)	\$ 4,926
<b>FUND BALANCE, UNRESERVED, BEGINNING OF YEAR</b>	19,416	1,367	1,064	21,847
<b>FUND BALANCE, UNRESERVED, END OF YEAR</b>	\$ 24,968	\$ 1,805	\$ -	\$ 26,773

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
JUNE 30, 2010

	<u>Distributive</u>	<u>Cafeteria Plan</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ 29,909</u>	<u>\$ 13,195</u>	<u>\$ 43,104</u>
<b>LIABILITIES</b>			
Due to others	\$ -	\$ 13,195	\$ 13,195
Due to other governments and agencies	<u>29,909</u>	<u>-</u>	<u>29,909</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 29,909</u>	<u>\$ 13,195</u>	<u>\$ 43,104</u>

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES - AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2010</u>
<b>DISTRIBUTIVE</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 471,037	\$ 3,921,586	\$ 4,362,714	\$ 29,909
<b>LIABILITIES</b>				
Due to other governments and agencies	\$ 471,037	\$ 3,921,586	\$ 4,362,714	\$ 29,909
 <b>CAFETERIA PLAN</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,840	\$ 13,195	\$ 12,840	\$ 13,195
<b>LIABILITIES</b>				
Due to others	\$ 12,840	\$ 13,195	\$ 12,840	\$ 13,195
 <b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 483,877	\$ 3,934,781	\$ 4,375,554	\$ 43,104
<b>LIABILITIES</b>				
Due to others	\$ 12,840	\$ 13,195	\$ 12,840	\$ 13,195
Due to other governments and agencies	471,037	3,921,586	4,362,714	29,909
<b>TOTAL LIABILITIES</b>	<u>\$ 483,877</u>	<u>\$ 3,934,781</u>	<u>\$ 4,375,554</u>	<u>\$ 43,104</u>

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
FEDERAL COMPLIANCE SECTION

**ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Pass-Through Grantor/ <u>Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>Project #</u>	Expenditures 7/1/2009 - <u>6/30/2010</u>
U.S. Department of Education: Smaller Learning Communities M	84.215L	S215L052084	\$ 561,173
U.S. Department of Education passed through Illinois State Board of Education:			
Title IV - 21st Century (Intermediate Academy) M	84.287	10-4421-08	\$ 121,513
Title IV - 21st Century (Edison) M	84.287	10-4421-05	113,161
Title IV - 21st Century (John Deere Middle School) M	84.287	10-4421-09	106,929
Title IV - 21st Century (Washington Junior High) M	84.287	10-4421-02	95,506
Title IV - 21st Century (Moline High School) M	84.287	10-4421-03	41,086
Title IV - 21st Century (Rock Island High School) M	84.287	10-4421-04	77,371
Title IV - 21st Century (Primary Improvement) M	84.287	10-4421-01	133,894
Total Title IV-21st Century			<u>\$ 689,460</u>
Title I - Reading First Part B SEA Funds	84.357	10-4337-00	\$ 7,076
ARRA - General State Aid - Education SFSF	84.394	10-4850-93	\$ 24,615
ARRA - General State Aid - Government SFSF	84.397	10-4870-93	8,205
State Fiscal Stabilization Fund Cluster			<u>\$ 32,820</u>
Mathematics and Science Partnership M	84.366	09-4936-00	\$ 199,312
Mathematics and Science Partnership M	84.366	10-4936-00	119,457
Mathematics and Science Partnership M	84.366	10-4936-10	12,564
Total Mathematics and Science Partnership			<u>\$ 331,333</u>
Total passed through Illinois State Board of Education			<u>\$ 1,060,689</u>
U.S. Dept. of Education passed through Lee/Ogle Regional Office of Education #47:			
McKinney Education for Homeless Children	84.196	10-4920-00	\$ 30,332
U.S. Dept. of Education passed through Illinois State Board of Education and Boone/Winnebago Regional Office of Education #04:			
Regional System of Support Provider	84.010A	09-4331-SS	\$ 87,830
Regional System of Support Provider	84.010A	10-4331-SS	193,145
Total Regional System of Support Provider			<u>\$ 280,975</u>
Total expenditures of federal awards			<u><u>\$ 1,933,169</u></u>

M Program was audited as a major program

The accompanying notes are an integral part of this schedule.

ROCK ISLAND COUNTY REGIONAL OFFICE OF EDUCATION NO. 49  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010

1. BASIS OF PRESENTATION

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

2. DESCRIPTIONS OF FEDERAL PROGRAMS AUDITED AS A MAJOR PROGRAM

The major federal programs of the Rock Island County Regional Office of Education No. 49 are the Smaller Learning Communities (CFDA # 84.215L), Title IV – 21<sup>st</sup> Century (CFDA # 84.287), and Mathematics and Science Partnership (CFDA #84.366). These funds are used to create smaller, more personalized learning environments (Smaller Learning Communities), finance after school activities (Title IV – 21<sup>st</sup> Century), and to assist in mathematics and science education (Mathematics and Science Partnership).

3. SUBRECIPIENTS

Of the expenditures in this schedule, the Rock Island County Regional Office of Education No. 49 provided awards to subrecipients in the amount of \$561,173 under the Smaller Learning Communities grant.

4. NON-MONETARY FEDERAL AWARDS

There are no non-monetary federal awards in the current year.

5. INSURANCE

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

6. LOANS AND LOAN GUARANTEES

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