

**State of Illinois**  
**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**FINANCIAL AUDIT**  
**For the Year Ended June 30, 2012**

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46**

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**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46**

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**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46**

**OFFICIALS**

Regional Superintendent  
(During the Audit Period and Current)

Honorable Jeff Stephens

Assistant Regional Superintendent  
(During the Audit Period July 15, 2011 to November 30, 2011)  
(After the Audit Period from July 1, 2012 to November 15, 2012)

Mr. Stephen Breese

Assistant Regional Superintendent  
(During the Audit Period January 1, 2012 to May 15, 2012)  
(After the Audit Period from February 16, 2013 to Current)

Mr. Merle Kenady

Assistant Regional Superintendent  
(After the Audit Period from December 16, 2012 to February 15, 2013)

Ms. Jessica Crawford

Office is located at:

110 North West Street  
Jacksonville, Illinois 62650

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46**

**FINANCIAL REPORT SUMMARY**

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

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

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

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

**SUMMARY OF FINDINGS AND RESPONSES**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
12-1	10	Controls Over Financial Statement Preparation	Significant Deficiency
PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)			
11-1	14	Controls Over Compliance with Laws and Regulations	Noncompliance

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46**

**FINANCIAL REPORT SUMMARY (CONTINUED)**

**EXIT CONFERENCE**

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2012. Throughout the audit, numerous meetings were held between auditors and Regional Office officials to discuss matters contained in this audit report. Responses to the recommendations were provided by Honorable Jeff Stephens, Regional Superintendent, on May 9, 2013.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed an unqualified opinion on the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's basic financial statements.



## INDEPENDENT AUDITORS' 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, each major fund, and the aggregate remaining fund information of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46, as of and for the year ended June 30, 2012, which collectively comprise the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46'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, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46, as of June 30, 2012, and the respective changes in financial position 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 our report dated May 28, 2013 on our consideration of Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46'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.

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund Schedule of Funding Progress on page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated in all material respects in relation to the financial statements taken as a whole.

*Winkel, Parker & Foster, CPA PC*

Clinton, Iowa  
May 28, 2013



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

Certified Public Accountants & Consultants

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

Honorable 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, each major fund, and the aggregate remaining fund information of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46, as of and for the year ended June 30, 2012, which collectively comprise the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's basic financial statements and have issued our report thereon dated May 28, 2013. 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**

Management of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46'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 the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in finding 12-1 in the accompanying Schedule of Findings and Responses that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters which we have reported to management of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 in a separate letter dated May 28, 2013.

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's response and, accordingly, we express no opinion on the response.

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

*Winkel, Parker & Foster, CPA PC*

Clinton, Iowa  
May 28, 2013

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section I: Summary of Auditors' Results:**

**Financial Statements**

Type of auditor's report issued: \_\_\_\_\_ Unqualified \_\_\_\_\_

Internal control over financial reporting:

- Material weakness(es) identified?                           yes        x   no
- Significant deficiency(ies) identified?              x   yes             none reported

Noncompliance material to  
financial statements noted?                           yes        x   no

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-1 - Controls Over Financial Statement Preparation (Repeat from 2011-No. 11-2, 2010-No. 10-3, 2009-No. 09-3, 2008-No. 08-1, and 2007-No. 07-9)**

**Criteria/Specific Requirement:**

The Regional Office of Education No. 46 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The Regional Office of Education No. 46's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

**Condition:**

The Regional Office of Education No. 46 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education No. 46 maintains its accounting records on the cash basis of accounting. While the Regional Office of Education No. 46 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner. Auditors, in their review of the Regional Office of Education No. 46's accounting records, noted adjustments that 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 and correct financial statement misstatements and disclosure omissions in a timely manner.

**Cause:**

Management's review process did not effectively detect all of the adjustments needed to present the financial statements in accordance with generally accepted accounting principles.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-1 - Controls Over Financial Statement Preparation (Repeat from 2011-No. 11-2, 2010-No. 10-3, 2009-No. 09-3, 2008-No. 08-1, and 2007-No. 07-9) (Continued)**

**Auditor's Recommendation:**

As part of internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education No. 46 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education No. 46's activities and operations.

**Management's Response:**

The ROE has made great strides in improving accounting practices and procedures. We continue to improve our system in an effort to meet the necessary, ever-changing audit requirements.

ROE #46 is not financially able to hire a full-time CPA or retain one on a regular basis to complete financial statements as defined by the requirements.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section III: Federal Award Findings:**

Not Applicable

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2012**

**FINDING NO. 12-1 - Controls Over Financial Statement Preparation (Repeat from 2011-No. 11-2, 2010-No. 10-3, 2009-No. 09-3, 2008-No. 08-1, and 2007-No. 07-9)**

**Condition:**

The Regional Office of Education No. 46 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education No. 46 maintains its accounting records on the cash basis of accounting. While the Regional Office of Education No. 46 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner. Auditors, in their review of the Regional Office of Education No. 46's accounting records, noted adjustments that were required to present financial statements in accordance with generally accepted accounting principles.

**Plan:**

The ROE will continue to do all in its power to see that everything within its means will be done to ensure proper reporting of public funds.

**Anticipated Completion Date:**

Immediately

**Contact Person Responsible for Corrective Action:**

Honorable Jeff Stephens, Regional Superintendent

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
 June 30, 2012**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
11-1	Controls Over Compliance with Laws and Regulations	See Note Below Repeated
11-2	Controls Over Financial Statement Preparation	

Note: Although the Regional Office of Education No. 46 has not fully implemented the corrective action plan associated with this finding during the fiscal year 2012, they have made significant progress in addressing the condition. Therefore, the effect of the condition is inconsequential to the specific programs and the overall financial statements and is now being addressed with management in a separate letter dated May 28, 2013.

## **BASIC FINANCIAL STATEMENTS**

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**STATEMENT OF NET ASSETS**  
**June 30, 2012**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 301,549
Accounts receivable	927
Due from other governments	<u>133,351</u>
Total current assets	<u>435,827</u>
Non-current assets:	
Capital assets, being depreciated, net	<u>19,069</u>
Total assets	<u>454,896</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	9,772
Accrued liabilities	69,124
Due to other governments	17,938
Deferred revenue	<u>35,352</u>
Total current liabilities	<u>132,186</u>
Non-current liabilities:	
Compensated absences	<u>3,995</u>
Total liabilities	<u>136,181</u>
<b>NET ASSETS</b>	
Investment in capital assets, net of related debt	19,069
Unrestricted	262,727
Restricted for educational purposes	<u>36,919</u>
Total net assets	<u>\$ 318,715</u>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2012**

<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>	<b>Program Revenues Operating Grants and Contributions</b>	<b>Net (Expenses) Revenues and Changes in Net Assets Primary Government Governmental Activities</b>
Primary government:			
Governmental activities:			
Education:			
Salaries	\$ 906,008	\$ 697,626	\$ (208,382)
Benefits	205,980	157,212	(48,768)
Purchased services	152,879	117,717	(35,162)
Supplies and materials	45,857	35,310	(10,547)
Capital outlay	515	3,415	2,900
Miscellaneous	17,582	13,538	(4,044)
Payments to other governments	1,781	1,371	(410)
Depreciation and disposition losses	9,740	-	(9,740)
Administrative:			
On-behalf payments	357,053	-	(357,053)
Total primary government	<u>1,697,395</u>	<u>1,026,189</u>	<u>(671,206)</u>
General revenues:			
Local sources			76,412
On-behalf payments			<u>357,053</u>
Total general revenue			<u>433,465</u>
<b>CHANGE IN NET ASSETS</b>			<b>(237,741)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>			<b><u>556,456</u></b>
<b>NET ASSETS, END OF YEAR</b>			<b><u>\$ 318,715</u></b>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2012**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Alternative Schools Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 261,433	\$ 4,194	\$ -	\$ 35,922	\$ 301,549
Accounts receivable	733	-	-	194	927
Due from other governments	7,361	125,990	-	-	133,351
Due from other funds	<u>96,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,816</u>
<b>TOTAL ASSETS</b>	<u>\$ 366,343</u>	<u>\$ 130,184</u>	<u>\$ -</u>	<u>\$ 36,116</u>	<u>\$ 532,643</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 7,697	\$ 1,737	\$ -	\$ 338	\$ 9,772
Accrued liabilities	45,460	23,664	-	-	69,124
Due to other governments	14,938	3,000	-	-	17,938
Due to other funds	-	96,816	-	-	96,816
Deferred revenue	<u>35,722</u>	<u>48,215</u>	<u>-</u>	<u>-</u>	<u>83,937</u>
Total liabilities	<u>103,817</u>	<u>173,432</u>	<u>-</u>	<u>338</u>	<u>277,587</u>
<b>FUND BALANCE (DEFICIT)</b>					
Restricted	-	-	-	35,778	35,778
Assigned	2,250	-	-	-	2,250
Unassigned	<u>260,276</u>	<u>(43,248)</u>	<u>-</u>	<u>-</u>	<u>217,028</u>
Total fund balance (deficit)	<u>262,526</u>	<u>(43,248)</u>	<u>-</u>	<u>35,778</u>	<u>255,056</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 366,343</u>	<u>\$ 130,184</u>	<u>\$ -</u>	<u>\$ 36,116</u>	<u>\$ 532,643</u>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
June 30, 2012**

<b>Total fund balance of governmental funds (page 21)</b>	\$	255,056
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		19,069
Compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		(3,995)
Some revenues will not be collected for several months after the Regional Office's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.		<u>48,585</u>
<b>Net assets of governmental activities (page 16)</b>	<b>\$</b>	<b><u>318,715</u></b>

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

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2012

	General Fund	Education Fund	Alternative Schools Fund	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES:</b>					
Local sources	\$ 227,354	\$ 46	\$ 43	\$ 25,232	\$ 252,675
State sources	431,626	304,851	872	632	737,981
Federal sources	-	70,991	22,059	-	93,050
On-behalf payments	357,053	-	-	-	357,053
Total revenues	<u>1,016,033</u>	<u>375,888</u>	<u>22,974</u>	<u>25,864</u>	<u>1,440,759</u>
<b>EXPENDITURES:</b>					
Current:					
Education:					
Salaries	584,369	314,786	-	6,853	906,008
Benefits	149,925	50,791	705	2,751	204,172
Purchased services	116,992	32,060	-	3,827	152,879
Supplies and materials	36,937	5,373	-	3,547	45,857
Miscellaneous	16,707	620	-	255	17,582
Payments to other governments	-	-	-	1,781	1,781
On-behalf payments	357,053	-	-	-	357,053
Capital outlay	4,435	-	-	-	4,435
Total expenditures	<u>1,266,418</u>	<u>403,630</u>	<u>705</u>	<u>19,014</u>	<u>1,689,767</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(250,385)	(27,742)	22,269	6,850	(249,008)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	155,930	20,548	-	-	176,478
Transfers out	(147,845)	(6,364)	(22,269)	-	(176,478)
Total other financing sources (uses)	<u>8,085</u>	<u>14,184</u>	<u>(22,269)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	(242,300)	(13,558)	-	6,850	(249,008)
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>504,826</u>	<u>(29,690)</u>	<u>-</u>	<u>28,928</u>	<u>504,064</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 262,526</u>	<u>\$ (43,248)</u>	<u>\$ -</u>	<u>\$ 35,778</u>	<u>\$ 255,056</u>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2012**

**Net change in fund balance (page 20)** **\$ (249,008)**

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

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

Capital outlay	\$	3,920	
Depreciation expense and disposition losses		<u>(9,740)</u>	(5,820)

Some revenues will not be collected for several  
months after the Regional Office's fiscal  
year ends, they are not considered "available"  
revenues and are deferred in the governmental  
funds.

Fiscal year 2011 deferred revenue recognized in fiscal year 2012		(29,690)	
Fiscal year 2012 deferred revenue		<u>48,585</u>	18,895

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

Increase in compensated absences			<u>(1,808)</u>
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**Change in net assets of governmental activities (page 17)** **\$ (237,741)**

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
June 30, 2012**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash	\$ 239
Due from other governments	<u>129,857</u>
<b>TOTAL ASSETS</b>	<u>\$ 130,096</u>
<b>LIABILITIES</b>	
Due to other governments	<u>\$ 130,096</u>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 is an entity that is a result of two Educational Service Regions becoming a Regional Office of Education as of August 7, 1995. The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education No. 46 encompasses the Brown, Cass, Morgan and Scott Counties, Illinois. A Regional Superintendent of Schools serves as Chief Administrative Officer of the Regional Office of Education No. 46 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 Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 include, but are not limited to the following:

- processing teachers' certificates;
- teaching initial and refresher classes for school bus drivers within the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46;
- reviewing life/safety requirements for schools in conjunction with the State of Illinois;
- issuing newsletters regarding new Illinois life/safety requirements; and
- monitoring compliance with State laws and Department of Education policies and procedures.

The Regional Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to: providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring of the safety, health, and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses.

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has no distributive fund since the State of Illinois maintains responsibility for the function of distributing State and federal aid to individual school districts.

The financial statements of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The following is a summary of the significant accounting policies:

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

For financial reporting purposes, the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has included all funds, organizations, agencies, boards, commissions and authorities. The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 are such that exclusion would cause the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has no component units that meet the Governmental Accounting Standards Board criteria and is not a component unit of any other entity.

**Basis of Presentation**

**Government-wide Financial Statements** - The Statement of Net Assets and the Statement of Activities report information on all of the activities of Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Assets presents Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46'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, Restricted net assets, and Unrestricted net assets.

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.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

General Fund - the General Fund is the operating fund of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The following funds comprise the General Fund:

County Support - to account for local revenues and disbursements related to County support.

Gifted District Fund - to account for local revenues and disbursements related to the Gifted education program.

Spelling Bee Fund - to account for local area business donations that provide funding related to operating spelling bee events.

Media Center - to account for library and video materials available to all the districts in the Region.

Identix Fingerprinting Fund - to account for a fee assessed to Districts and the expenses associated with providing background check/fingerprinting services.

Star Online - agreement between Western Illinois University and Regional Office of Education No. 46 to help area teachers sign up and receive online professional development at a reduced rate.

ROE School Improvement Fund - to account for costs associated with improving school programs and policies for the districts within the Region.

Dental Sealant Fund - to account for the costs associated with providing the dental sealant program to Morgan and Scott County schools.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Registration Fees Fund - to account for local revenues and disbursements related to the alternative school programs.

Paid Lunches Fund - to account for local revenues and disbursements related to school lunches.

Truants Alternative/Optional Education - State Aid Fund - to account for General State Aid revenues and disbursements associated with the Truants Alternative/Optional Education Program (TAOEP).

Alternative Resource Center (ARC) - State Aid Fund - to account for General State Aid revenues and disbursements associated with the ARC Safe Schools Program.

Job Bank Fund - to account for a fee assessed to districts and the expenses associated with posting job openings on the State website.

Jacksonville Children's Foundation - to account for local funds received and used to provide success boxes with various supplies to children in Morgan and Scott County schools.

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

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

Truants Alternative/Optional Education Fund - to account for a grant that provides truancy guidance and alternative education options for applicable students within the Region.

Regional Safe Schools Fund - to account for a grant that provides additional staff and materials for the alternative schools in the Region.

Title I - School Improvement and Accountability - RESPRO - to account for a grant that provides training for various school improvement approaches within the Region.

McKinney Education for Homeless Children Fund - to account for a grant that provides assistance for homeless children within school districts.

Title II - Teacher Quality - RESPRO - to account for a grant to provide Title II coaches to assist Title II Schools with professional development.

Title II - Teacher Quality Fund - to account for a grant to provide professional development opportunities for teachers and administrators.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

ROE/ISC Operations - to account for a grant that provides operating funds for the Region.

Illinois School for the Deaf - contracted arrangement with Illinois School for the Deaf (ISD) and Illinois Department of Human Services to provide payroll services for contracted ISD substitute teachers.

Illinois School for the Visually Impaired - contracted arrangement with Illinois School for the Visually Impaired (ISVI) and Illinois Department of Human Services to provide payroll services for contracted ISVI substitute teachers.

Alternative Schools Fund - to account for the activities and programs of the alternative schools within the Region. The following funds comprise the Alternative Schools Fund:

State Lunch Fund - to account for state revenues and disbursements related to school lunches.

National School Lunch Fund - to account for federal revenues and disbursements related to school lunches.

School Breakfast Fund - to account for federal funds to help offer breakfast programs to the two alternative schools.

Truants Alternative/Optional Education Program - ARRA Education Jobs Fund - to account for federal funds used to supplement General State Aid for purposes of paying salaries and benefits to retain existing employees, recall or rehire former employees, or hire new employees for the purposes of providing educational related services.

Alternative Resource Center (ARC) - ARRA Education Jobs Fund - to account for federal funds used to supplement General State Aid for purposes of paying salaries and benefits to retain existing employees, recall or rehire former employees, or hire new employees for the purposes of providing educational related services.

Nonmajor Special Revenue Funds - the following special revenue funds are non-major governmental funds:

Institute Fund - to account for activities associated with the recertification process for teachers, and expenses of meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

Bus Driver Fund - to account for the testing and training of bus drivers for the districts within the Region.

General Education Development Fund - to account for administration of General Education Development testing for applicants within the Region.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Agency Funds are used to account for assets held in a trustee capacity or as an agent for individuals, private, or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds include the following:

School Facility Occupation Tax - 1 percent sales tax collected in Cass County for school facility maintenance and improvements to be distributed to the following districts: A-C Central, Beardstown, Meredosia-Chambersburg, PORTA, Triopia, and Virginia.

**Measurement Focus and Basis of Accounting**

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

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

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Capital asset acquisitions are reported as expenditures in governmental funds.

There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46.

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Under the terms of grant agreements, Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. It is the Regional Office of Education No. 46's policy to first apply restricted funds, then unrestricted. For unrestricted fund balance, committed funds are used first, then assigned funds, then unassigned if any.

**Assets, Liabilities and Fund Equity**

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

Cash and cash equivalents - Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 considers all investments in certificates of deposit with maturities within one year to be cash equivalents.

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

Capital assets - Capital assets, which include furniture and equipment, are reported in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 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.

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Deferred 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.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Compensated absences - Regular full-time employees who work 12 calendar months earn up to 20 vacation days for a full year of service. Employees who work less than 12 calendar months per year do not earn vacation days. Employees receive up to 10 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

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

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

*Restricted Fund Balance* - the portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions. The following fund balances are restricted by Illinois Statute: Institute Fund, Bus Driver Fund, and General Education Development Fund.

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

*Assigned Fund Balance* - the portion of a Governmental Fund's net assets to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The Media Center has an assigned fund balance.

*Unassigned Fund Balance* - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following fund balances are considered unassigned: County Support, Spelling Bee Fund, Indentix Fingerprinting Fund, Star Online, ROE School Improvement Fund, Dental Sealant Fund, Registration Fees Fund, Truants Alternative/Optional Education - State Aid Fund, Alternative Resource Center (ARC) - State Aid Fund, ROE/ISC Operations, Title I - School Improvement and Accountability - RESPRO, Title II - Teacher Quality Fund, Illinois School for the Deaf, and Illinois School for the Visually Impaired.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets of the Regional Office of Education are classified as follows:

*Invested in Capital Assets* - represents the Regional Office of Education's total investment in capital assets.

*Restricted Net Assets* - represents net assets that are restricted due to constraints placed on the net asset use that 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.

*Unrestricted Net Assets* - represents resources used for transactions relating to the general operations of the Regional Office of Education and may be used at the discretion of management to meet expenses for any purpose.

*Estimates* - The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Budgets and Budgetary Accounting**

The budgetary comparison and related disclosures are reported as supplementary information.

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 did not formally adopt a budget for the year ended June 30, 2012 and is not legally required to do so. Granting agencies may require budgets for certain programs. These budgets were used to prepare budgetary comparison schedules for the following programs: Truants Alternative/Optional Education Fund, Regional Safe Schools Fund, McKinney Education for Homeless Children Fund, ROE/ISC Operations Fund, and Title II - Teacher Quality Fund.

**Subsequent Events**

Management has evaluated subsequent events through May 28, 2013, the date the financial statements were available to be issued.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The deposit and investment of monies is governed by the provisions of the Illinois Compiled Statutes (30 ILCS-235/2 and 6 and 105 ILCS-5/8-7). At June 30, 2012, the carrying amount of deposits and investments was \$301,788 and the bank balance was \$399,386. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2012.

**Deposits**

Custodial credit risk - Custodial credit risk is the risk that in the event of a bank failure, Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's deposits may not be returned. Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 does not have a deposit policy for custodial credit risk. The bank balances as of June 30, 2012 were fully secured by federal depository insurance or securities pledged by the Regional Office of Education No. 46's financial institution on behalf of the Regional Office.

**Investments**

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2012, Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 had investments with carrying and fair values of \$21,106 invested in the Illinois Funds Money Market Fund.

Credit risk - At June 30, 2012 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 Investment Act, 30 ILCS 235. All investments are fully collateralized.

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

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

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

	<u>Carrying Amount</u>
Cash and cash equivalents - governmental funds	\$ 301,549
Cash - agency	<u>239</u>
<b>Total</b>	<b><u>\$ 301,788</u></b>

**NOTE 3 - ON-BEHALF PAYMENTS**

Salaries of the Regional Superintendent and his assistant are paid by the State of Illinois. All other salaries are paid by Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. Pension plan contributions associated with these salaries are also paid respectively, by the State of Illinois and Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46.

A breakdown of the on-behalf payments are as follows:

Regional Superintendent - salary	\$ 100,128
Regional Superintendent - benefits (includes state paid insurance)	14,703
Assistant Regional Superintendent - salary	75,100
Assistant Regional Superintendent - benefits (includes state paid insurance)	1,089
TRS on-behalf payments	161,857
THIS on-behalf payments	<u>4,176</u>
<b>Total on-behalf payments</b>	<b><u>\$ 357,053</u></b>

Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education.

**NOTE 4 - EMPLOYEE BENEFIT PLANS**

Teachers' Retirement System of the State of Illinois

The Regional Office of Education participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The state of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2012, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. 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, 2011 and 2010.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education No. 46's TRS-covered employees.

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 46. For the year ended June 30, 2012, the State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the Regional Office of Education No. 46 recognized revenue and expenditures of \$161,857 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent (\$170,019) and 23.38 percent (\$172,784), respectively.

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 makes other types of employer contributions directly to TRS:

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2012 were \$2,752. Contributions for the years ending June 30, 2011 and June 30, 2010, were \$3,353 and \$3,224, respectively.
- **Federal and Special Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 46, there is a statutory requirement for the Regional Office of Education No. 46 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

For the year ended June 30, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010, the employer pension contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$30,420 were paid from federal and special trust funds that required employer contributions of \$7,578. For the years ended June 30, 2011 and June 30, 2010, required contributions were \$9,707 and \$5,377, respectively.

- **Early Retirement Option.** The Regional Office of Education No. 46 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. The maximum employer ERO contribution is 117.5 percent and applies when the member is age 55 at retirement. For the years ended June 30, 2012, June 30, 2011 and June 30, 2010, the Regional Office Education No. 46 paid no ERO contributions.
- **Salary increases over 6 percent and excess sick leave.**
  - If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the years ended June 30, 2012, June 30, 2011, and June 30, 2010, the Regional Office of Education No. 46 did not make any contributions to TRS for salary increases in excess of 6 percent.

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012).

For the years ended June 30, 2012, June 30, 2011, and June 30, 2010, the Regional Office of Education No. 46 did not make any contributions to TRS for 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, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at [www.trs.illinois.gov](http://www.trs.illinois.gov).

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

Illinois Municipal Retirement Fund

*Plan Description.* The Regional Office of Education No. 46'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 employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, the Regional Office of Education No. 46'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 annual required contribution rate for calendar year 2011 was 13.09 percent. The Regional Office of Education No. 46 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.* The required contribution for calendar year 2011 was \$45,999.

Calendar Year Ending	THREE-YEAR TREND INFORMATION		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	\$ 45,999	100%	\$ -
12/31/10	48,887	65%	17,291
12/31/09	29,200	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education No. 46's 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 20% corridor between the actuarial and market value of assets. The Regional Office of Education No. 46's Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 10 year basis.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 70.91 percent funded. The actuarial accrued liability for benefits was \$873,336 and the actuarial value of assets was \$619,263, resulting in an underfunded actuarial accrued liability (UAAL) of \$254,073. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$351,403 and the ratio of the UAAL to the covered payroll was 72 percent.

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

**NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS**

Illinois Municipal Retirement Fund

The Regional Office has evaluated its potential other post employment benefits liability. Former employees who choose to retain their rights to health insurance through the Regional Office are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Regional Office's health insurance plan. Therefore, there has been zero percent utilization and therefore no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Regional Office had no former employees for which it was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Regional Office has not recorded any post employment benefit liability as of June 30, 2012.

Teachers Health Insurance Security Fund

The Regional Office of Education No. 46 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 retired Illinois public school teachers employed 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 the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only 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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by CMS with the cooperation of TRS. 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 make a contribution to THIS.

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

- **On-behalf Contributions.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 46. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$4,176, and the Regional Office of Education No. 46 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2011 and June 30, 2010 were 0.88 percent and 0.84 percent of pay, respectively. State contributions on behalf of Regional Office of Education No. 46's employees were \$5,087 and \$4,669, respectively.

- **Employer Contributions to THIS Fund.** The Regional Office of Education No. 46 also makes contributions to THIS Fund. The employer THIS fund contribution was 0.66 percent during the years ended June 30, 2012 and June 30, 2011, and 0.63 percent for the year ended June 30, 2010. For the year ended June 30, 2012, the Regional Office of Education No. 46 paid \$3,132 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the Regional Office of Education No. 46 paid \$3,815 and \$3,502 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 6 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2012 is as follows:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Governmental activities:				
Furniture and equipment	\$ 105,169	\$ 3,920	\$ (8,577)	\$ 100,512
Less accumulated depreciation	(80,280)	(9,553)	8,390	(81,443)
Total capital assets, net	<u>\$ 24,889</u>	<u>\$ (5,633)</u>	<u>\$ (187)</u>	<u>\$ 19,069</u>

Depreciation expense was charged as follows:

    Governmental activities:

        Education:

            Depreciation

\$ 9,553

**NOTE 7 - OPERATING LEASES**

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has not entered into any capital lease agreements as lessee for financing. The Regional Office of Education No. 46 entered into a lease agreement for the Regional Office of Education No. 46's Jacksonville Office requiring an annual payment of \$6,000. This agreement is renewable annually. The Regional Office of Education No. 46 entered into a lease agreement for the Lafayette Center/Alternative Resource Center (ARC) in Jacksonville requiring quarterly payments of \$5,000. The agreement commenced on February 1, 2011 and ends on June 30, 2013. Rent expense for fiscal year 2012 was \$26,500.

**NOTE 9 - DUE FROM/TO OTHER GOVERNMENTS**

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's General, Special Revenue, and Agency Funds have funds due to and due from various other governmental units which consist of the following:

Due from other governments	
General fund	
Local governments	\$ 7,361
Education fund	
Illinois State Board of Education	50,368
Local governments	75,622
Agency fund	
Local governments	<u>129,857</u>
Total due from other governments	<u>\$ 263,208</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 9 - DUE FROM/TO OTHER GOVERNMENTS (CONTINUED)**

Due to other governments	
General fund	
Local governments	\$ 14,938
Education fund	
Local governments	3,000
Agency fund	
Local governments	<u>130,096</u>
Total due to other governments	<u>\$ 148,034</u>

**NOTE 10 - DUE FROM/TO OTHER FUNDS**

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, at June 30, 2012 were:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund		
County Support	\$ 51,664	\$ -
Truant Alternative/Optional Education - State Aid Fund	37,990	-
Alternative Resource Center (ARC) - State Aid Fund	7,162	-
Education Fund		
Truants Alternative/Optional Education Program	-	20,474
Regional Safe Schools Fund	-	7,162
Title I - School Improvement and Accountability - RESPRO	-	16,984
McKinney Education for Homeless Children Fund	-	351
Title II - Teacher Quality Fund	-	532
Illinois School for the Deaf	-	23,719
Illinois School for the Visually Impaired	-	<u>27,594</u>
Total	<u>\$ 96,816</u>	<u>\$ 96,816</u>

**NOTE 11 - COMPENSATED ABSENCES**

Under terms of employment, employees are granted vacation days in varying amounts up to 20 days. Vacation days earned during a benefit year are allowed to be used during the benefit year plus a 60 day carryover period. Upon termination of an employee eligible to use vacation days, all accumulated days will be paid as of the date of termination. Only benefits considered to be vested are disclosed in these statements.

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Compensated absences	<u>\$ 2,187</u>	<u>\$ 13,854</u>	<u>\$ 12,046</u>	<u>\$ 3,995</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 12 - TRANSFERS**

Transfers are generally made to provide supplemental funding or move resources from the fund required to collect the resources to the fund required to expend the resources. The following is the detail of interfund transfers as of June 30, 2012:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
County Support	\$ 6,364	\$ -
Gifted District Fund	491	-
ROE School Improvement Fund	1	491
Paid Lunches Fund	-	6,359
Truants Alternative/Optional Education - State Aid Fund	28,628	120,446
Alternative Resource Center (ARC) - State Aid Fund	120,446	20,548
Jacksonville Children's Foundation	-	1
Education Fund		
Regional Safe Schools Fund	20,548	-
McKinney Education for Homeless Children	-	884
ROE/ISC Operations	-	32
Illinois School for the Deaf	-	2,756
Illinois School for the Visually Impaired	-	2,692
Alternative Education Fund		
State Lunch Fund	-	874
National School Lunch Fund	-	16,379
School Breakfast Fund	-	5,016
Total	<u>\$ 176,478</u>	<u>\$ 176,478</u>

**NOTE 13 - DEFICIT FUND BALANCES**

The following funds had deficit fund balances/net assets at June 30, 2012:

Education Fund	
Title I - School Improvement and Accountability - RESPRO	(17,560)
Title II - Teacher Quality Fund	(532)
Illinois School for the Deaf	(5,426)
Illinois School for the Visually Impaired	(19,730)

Above deficit fund balances are expected to be reversed in the next fiscal year through payments from the State, receipts from local sources and interest income.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 14 - RISK MANAGEMENT**

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 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. Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 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 15 - NEW PRONOUNCEMENTS**

In 2012, the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 adopted the following pronouncements: Governmental Accounting Standards Board (GASB) Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* and GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*. There was no significant impact on the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's financial statements as a result of adopting the above statements.

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

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 SCHEDULE OF FUNDING PROGRESS -  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 (Unaudited)  
 June 30, 2012**

**ILLINOIS MUNICIPAL RETIREMENT FUND  
 SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$ 619,263	\$ 873,336	\$ 254,073	70.91%	\$ 351,403	72.30%
12/31/10	598,189	864,131	265,942	69.22%	368,679	72.13%
12/31/09	718,914	862,265	143,351	83.38%	374,843	38.24%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$583,713.  
 On a market basis, the funded ratio would be 66.84%.

## SUPPLEMENTAL INFORMATION

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**GENERAL FUND**  
**June 30, 2012**

**SCHEDULE 1**

	<u>County Support</u>	<u>Gifted District Fund</u>	<u>Spelling Bee Fund</u>	<u>Media Center</u>	<u>Identix Fingerprinting Fund</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 89,819	\$ -	\$ 2,046	\$ 2,250	\$ 1,647
Accounts receivable	-	-	-	-	-
Due from other governments	5,961	-	-	-	-
Due from other funds	51,664	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 147,444</b>	<b>\$ -</b>	<b>\$ 2,046</b>	<b>\$ 2,250</b>	<b>\$ 1,647</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 1,426	\$ -	\$ -	\$ -	\$ 20
Accrued liabilities	161	-	-	-	-
Due to other governments	4,635	-	-	-	-
Deferred revenue	35,722	-	-	-	-
Total liabilities	41,944	-	-	-	20
<b>FUND BALANCE</b>					
Assigned	-	-	-	2,250	-
Unassigned	105,500	-	2,046	-	1,627
Total fund balance	105,500	-	2,046	2,250	1,627
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 147,444</b>	<b>\$ -</b>	<b>\$ 2,046</b>	<b>\$ 2,250</b>	<b>\$ 1,647</b>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2012**

SCHEDULE 1  
(CONTINUED)

	<u>Star Online</u>	<u>ROE School Improvement Fund</u>	<u>Dental Sealant Fund</u>	<u>Registration Fees Fund</u>	<u>Paid Lunches Fund</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 15	\$ 3,472	\$ 12,685	\$ 8,378	\$ -
Accounts receivable	-	-	419	-	-
Due from other governments	-	-	-	200	-
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 15</u>	<u>\$ 3,472</u>	<u>\$ 13,104</u>	<u>\$ 8,578</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 15	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
Assigned	-	-	-	-	-
Unassigned	15	3,472	13,089	8,578	-
Total fund balance	<u>15</u>	<u>3,472</u>	<u>13,089</u>	<u>8,578</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 15</u>	<u>\$ 3,472</u>	<u>\$ 13,104</u>	<u>\$ 8,578</u>	<u>\$ -</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2012**

**SCHEDULE 1  
(CONTINUED)**

	Truants Alternative/ Optional Education - State Aid <u>Fund</u>	Alternative Resource Center (ARC) - State Aid <u>Fund</u>	Job Bank <u>Fund</u>	Jacksonville Children's Foundation	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 121,674	\$ 19,297	\$ 150	\$ -	\$ 261,433
Accounts receivable	314	-	-	-	733
Due from other governments	-	-	1,200	-	7,361
Due from other funds	37,990	7,162	-	-	96,816
<b>TOTAL ASSETS</b>	<u>\$ 159,978</u>	<u>\$ 26,459</u>	<u>\$ 1,350</u>	<u>\$ -</u>	<u>\$ 366,343</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 3,448	\$ 2,788	\$ -	\$ -	\$ 7,697
Accrued liabilities	31,996	13,303	-	-	45,460
Due to other governments	4,172	4,781	1,350	-	14,938
Deferred revenue	-	-	-	-	35,722
Total liabilities	<u>39,616</u>	<u>20,872</u>	<u>1,350</u>	<u>-</u>	<u>103,817</u>
<b>FUND BALANCE</b>					
Assigned	-	-	-	-	2,250
Unassigned	120,362	5,587	-	-	260,276
Total fund balance	<u>120,362</u>	<u>5,587</u>	<u>-</u>	<u>-</u>	<u>262,526</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 159,978</u>	<u>\$ 26,459</u>	<u>\$ 1,350</u>	<u>\$ -</u>	<u>\$ 366,343</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND ACCOUNTS**  
**Year Ended June 30, 2012**

**SCHEDULE 2**

	<u>County</u> <u>Support</u>	<u>Gifted</u> <u>District</u> <u>Fund</u>	<u>Spelling Bee</u> <u>Fund</u>	<u>Media</u> <u>Center</u>	<u>Identix</u> <u>Fingerprinting</u> <u>Fund</u>
<b>REVENUES:</b>					
Local sources	\$ 182,971	\$ 2,131	\$ 1,957	\$ 16,713	\$ 5,668
State sources	-	-	-	-	-
On-behalf payments	<u>357,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>540,024</u>	<u>2,131</u>	<u>1,957</u>	<u>16,713</u>	<u>5,668</u>
<b>EXPENDITURES:</b>					
Current:					
Education:					
Salaries	103,475	-	-	-	-
Benefits	31,470	-	-	-	-
Purchased services	21,672	1,952	125	14,679	4,235
Supplies and materials	4,902	672	427	1,835	-
Miscellaneous	9,044	-	-	-	-
On-behalf payments	357,053	-	-	-	-
Capital outlay	<u>332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>527,948</u>	<u>2,624</u>	<u>552</u>	<u>16,514</u>	<u>4,235</u>
<b>EXCESS (DEFICIENCY) OF REVENUES</b> <b>OVER (UNDER) EXPENDITURES</b>	12,076	(493)	1,405	199	1,433
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	6,364	491	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>6,364</u>	<u>491</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	18,440	(2)	1,405	199	1,433
<b>FUND BALANCE,</b> <b>BEGINNING OF YEAR</b>	<u>87,060</u>	<u>2</u>	<u>641</u>	<u>2,051</u>	<u>194</u>
<b>FUND BALANCE,</b> <b>END OF YEAR</b>	<u>\$ 105,500</u>	<u>\$ -</u>	<u>\$ 2,046</u>	<u>\$ 2,250</u>	<u>\$ 1,627</u>

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 Year Ended June 30, 2012

SCHEDULE 2  
 (CONTINUED)

	<u>Star</u>	<u>ROE School</u>	<u>Dental</u>	<u>Registration</u>	<u>Paid</u>
	<u>Online</u>	<u>Improvement</u>	<u>Sealant</u>	<u>Fees</u>	<u>Lunches</u>
		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<b>REVENUES:</b>					
Local sources	\$ 5	\$ 67	\$ 576	\$ 7,817	\$ 6,359
State sources	-	290	2,571	-	-
On-behalf payments	-	-	-	-	-
Total revenues	5	357	3,147	7,817	6,359
<b>EXPENDITURES:</b>					
Current:					
Education:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Purchased services	-	180	557	-	-
Supplies and materials	-	-	463	2,193	-
Miscellaneous	-	2,123	51	-	-
On-behalf payments	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	2,303	1,071	2,193	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	5	(1,946)	2,076	5,624	6,359
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	1	-	-	-
Transfers out	-	(491)	-	-	(6,359)
Total other financing sources (uses)	-	(490)	-	-	(6,359)
<b>NET CHANGE IN FUND BALANCE</b>	5	(2,436)	2,076	5,624	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	10	5,908	11,013	2,954	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 15	\$ 3,472	\$ 13,089	\$ 8,578	\$ -

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
Year Ended June 30, 2012**

**SCHEDULE 2  
(CONTINUED)**

	<u>Truants</u>	<u>Alternative/ Optional Education - State Aid Fund</u>	<u>Alternative Resource Center (ARC) - State Aid Fund</u>	<u>Job Bank Fund</u>	<u>Jacksonville Children's Foundation</u>	<u>Total</u>
<b>REVENUES:</b>						
Local sources	\$ 1,738	\$ -	\$ 1,350	\$ 2	\$ 227,354	\$ 227,354
State sources	276,397	152,368	-	-	431,626	431,626
On-behalf payments	-	-	-	-	357,053	357,053
Total revenues	278,135	152,368	1,350	2	1,016,033	1,016,033
<b>EXPENDITURES:</b>						
Current:						
Education:						
Salaries	310,872	170,022	-	-	584,369	584,369
Benefits	77,845	40,610	-	-	149,925	149,925
Purchased services	50,864	21,378	1,350	-	116,992	116,992
Supplies and materials	14,741	10,731	-	973	36,937	36,937
Miscellaneous	3,192	2,297	-	-	16,707	16,707
On-behalf payments	-	-	-	-	357,053	357,053
Capital outlay	2,462	1,641	-	-	4,435	4,435
Total expenditures	459,976	246,679	1,350	973	1,266,418	1,266,418
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(181,841)	(94,311)	-	(971)	(250,385)	(250,385)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	28,628	120,446	-	-	155,930	155,930
Transfers out	(120,446)	(20,548)	-	(1)	(147,845)	(147,845)
Total other financing sources (uses)	(91,818)	99,898	-	(1)	8,085	8,085
<b>NET CHANGE IN FUND BALANCE</b>	(273,659)	5,587	-	(972)	(242,300)	(242,300)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	394,021	-	-	972	504,826	504,826
<b>FUND BALANCE, END OF YEAR</b>	\$ 120,362	\$ 5,587	\$ -	\$ -	\$ 262,526	\$ 262,526

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2012

	Truants Alternative/ Optional Education Fund	Regional Safe Schools Fund	Title I - School Improvement and Accountability - RESPRO	McKinney Education for Homeless Children Fund	Title II - Teacher Quality - RESPRO
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 3,826
Accounts receivable	-	-	-	-	-
Due from other governments	33,092	17,276	20,223	500	-
<b>TOTAL ASSETS</b>	<b>\$ 33,092</b>	<b>\$ 17,276</b>	<b>\$ 20,223</b>	<b>\$ 500</b>	<b>\$ 3,826</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 297	\$ -	\$ 279	\$ 149	\$ -
Accrued liabilities	9,321	10,114	3,212	-	-
Due to other governments	3,000	-	-	-	-
Due to other funds	20,474	7,162	16,984	351	-
Deferred revenue	-	-	17,308	-	3,826
Total liabilities	33,092	17,276	37,783	500	3,826
<b>FUND BALANCE (DEFICIT)</b>					
Unassigned	-	-	(17,560)	-	-
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 33,092</b>	<b>\$ 17,276</b>	<b>\$ 20,223</b>	<b>\$ 500</b>	<b>\$ 3,826</b>

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2012

	Title II - Teacher Quality Fund	ROE/ISC Operations	Illinois School for the Deaf	Illinois School for the Visually Impaired	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 368	\$ -	\$ 4,194
Accounts receivable	-	-	-	-	-
Due from other governments	532	-	25,443	28,924	125,990
<b>TOTAL ASSETS</b>	<b>\$ 532</b>	<b>\$ -</b>	<b>\$ 25,811</b>	<b>\$ 28,924</b>	<b>\$ 130,184</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 461	\$ 551	\$ 1,737
Accrued liabilities	-	-	1,017	-	23,664
Due to other governments	-	-	-	-	3,000
Due to other funds	532	-	23,719	27,594	96,816
Deferred revenue	532	-	6,040	20,509	48,215
Total liabilities	1,064	-	31,237	48,654	173,432
<b>FUND BALANCE (DEFICIT)</b>					
Unassigned	(532)	-	(5,426)	(19,730)	(43,248)
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 532</b>	<b>\$ -</b>	<b>\$ 25,811</b>	<b>\$ 28,924</b>	<b>\$ 130,184</b>

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (DEFICITS)  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2012

SCHEDULE 4

	Truants Alternative/ Optional Education Fund	Regional Safe Schools Fund	Title I - School Improvement and Accountability - RESPRO	McKinney Education for Homeless Children Fund	Title II - Teacher Quality - RESPRO
<b>REVENUES:</b>					
Local sources	\$ -	\$ -	\$ 13	\$ 1	\$ -
State sources	108,474	63,996	-	-	-
Federal sources	-	-	43,690	27,301	-
Total revenues	108,474	63,996	43,703	27,302	-
<b>EXPENDITURES:</b>					
Current:					
Education:					
Salaries	63,597	69,869	46,020	15,320	-
Benefits	13,500	13,667	9,276	7,152	-
Purchased services	22,175	1,008	1,697	2,223	-
Supplies and materials	-	-	4,270	1,103	-
Miscellaneous	-	-	-	620	-
Payment to other governments	-	-	-	-	-
Total expenditures	99,272	84,544	61,263	26,418	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	9,202	(20,548)	(17,560)	884	-
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	20,548	-	-	-
Transfers out	-	-	-	(884)	-
Total other financing sources (uses)	-	20,548	-	(884)	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	9,202	-	(17,560)	-	-
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	(9,202)	-	-	-	-
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	\$ -	\$ -	\$ (17,560)	\$ -	\$ -

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICITS)**  
**EDUCATION FUND ACCOUNTS**  
**Year Ended June 30, 2012**

**SCHEDULE 4**  
**(CONTINUED)**

	<u>Title II -</u>		<u>Illinois</u>	<u>Illinois</u>	<u>Totals</u>
	<u>Teacher</u>	<u>ROE/ISC</u>	<u>School for</u>	<u>School for</u>	
	<u>Fund</u>	<u>Operations</u>	<u>the Deaf</u>	<u>the Visually</u>	
				<u>Impaired</u>	
<b>REVENUES:</b>					
Local sources	\$ -	\$ 32	\$ -	\$ -	\$ 46
State sources	-	31,689	50,423	50,269	304,851
Federal sources	-	-	-	-	70,991
Total revenues	<u>-</u>	<u>31,721</u>	<u>50,423</u>	<u>50,269</u>	<u>375,888</u>
<b>EXPENDITURES:</b>					
Current:					
Education:					
Salaries	-	20,030	49,648	50,302	314,786
Benefits	-	5,060	1,188	948	50,791
Purchased services	532	262	2,257	1,906	32,060
Supplies and materials	-	-	-	-	5,373
Miscellaneous	-	-	-	-	620
Payment to other governments	-	-	-	-	-
Total expenditures	<u>532</u>	<u>25,352</u>	<u>53,093</u>	<u>53,156</u>	<u>403,630</u>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>					
<b>OVER (UNDER) EXPENDITURES</b>	<u>(532)</u>	<u>6,369</u>	<u>(2,670)</u>	<u>(2,887)</u>	<u>(27,742)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	20,548
Transfers out	-	(32)	(2,756)	(2,692)	(6,364)
Total other financing sources (uses)	<u>-</u>	<u>(32)</u>	<u>(2,756)</u>	<u>(2,692)</u>	<u>14,184</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	(532)	6,337	(5,426)	(5,579)	(13,558)
<b>FUND BALANCE (DEFICIT),</b>					
<b>BEGINNING OF YEAR</b>	<u>-</u>	<u>(6,337)</u>	<u>-</u>	<u>(14,151)</u>	<u>(29,690)</u>
<b>FUND BALANCE (DEFICIT),</b>					
<b>END OF YEAR</b>	<u>\$ (532)</u>	<u>\$ -</u>	<u>\$ (5,426)</u>	<u>\$ (19,730)</u>	<u>\$ (43,248)</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
Year Ended June 30, 2012**

	<u>Truants Alternative/Optional Educaiton Fund</u>				<u>Regional Safe Schools Fund</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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	99,272	99,272	108,474	9,202	63,996	63,996	63,996	-
Federal sources	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>99,272</u>	<u>99,272</u>	<u>108,474</u>	<u>9,202</u>	<u>63,996</u>	<u>63,996</u>	<u>63,996</u>	<u>-</u>
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	65,733	65,733	63,597	2,136	52,694	52,694	69,869	(17,175)
Benefits	13,278	13,278	13,500	(222)	10,490	10,490	13,667	(3,177)
Purchased services	12,851	12,851	22,175	(9,324)	812	812	1,008	(196)
Supplies and materials	7,410	7,410	-	7,410	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>99,272</u>	<u>99,272</u>	<u>99,272</u>	<u>-</u>	<u>63,996</u>	<u>63,996</u>	<u>84,544</u>	<u>(20,548)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>9,202</u>	<u>\$ 9,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(20,548)</u>	<u>\$ (20,548)</u>
<b>OTHER FINANCING SOURCES:</b>								
Transfers in			-				20,548	
Transfers out			-				-	
<b>Total other financing sources (uses)</b>			<u>-</u>				<u>20,548</u>	
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			<u>9,202</u>				<u>-</u>	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			<u>(9,202)</u>				<u>-</u>	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<u>\$ -</u>				<u>\$ -</u>	

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
Year Ended June 30, 2012

	McKinney Education for Homeless Children Fund				Title II - Teacher Quality Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	26,671	27,171	27,301	130	2,350	2,350	-	(2,350)
Total revenues	26,671	27,171	27,302	131	2,350	2,350	-	(2,350)
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	15,000	15,000	15,320	(320)	-	-	-	-
Benefits	6,320	6,320	7,152	(832)	-	-	-	-
Purchased services	4,351	4,351	2,223	2,128	555	555	532	23
Supplies and materials	1,000	1,500	1,103	397	1,795	1,795	-	1,795
Miscellaneous	-	-	620	(620)	-	-	-	-
Total expenditures	26,671	27,171	26,418	753	2,350	2,350	532	1,818
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	\$ -	884	\$ 884	\$ -	\$ -	(532)	\$ (532)
<b>OTHER FINANCING SOURCES:</b>								
Transfers in			-				-	
Transfers out			(884)				-	
Total other financing sources (uses)			(884)				-	
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			-				(532)	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			-				-	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			\$ -				\$ (532)	

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
Year Ended June 30, 2012

	ROE/ISC Operations			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ 32	\$ 32
State sources	25,352	25,352	31,689	6,337
Federal sources	-	-	-	-
Total revenues	<u>25,352</u>	<u>25,352</u>	<u>31,721</u>	<u>6,369</u>
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries	20,000	20,000	20,030	(30)
Benefits	5,220	5,220	5,060	160
Purchased services	132	132	262	(130)
Supplies and materials	-	-	-	-
Miscellaneous	-	-	-	-
Total expenditures	<u>25,352</u>	<u>25,352</u>	<u>25,352</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>6,369</u>	<u>\$ 6,369</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in			-	
Transfers out			(32)	
Total other financing sources (uses)			<u>(32)</u>	
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			<u>6,337</u>	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			<u>(6,337)</u>	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<u>\$ -</u>	

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**ALTERNATIVE SCHOOLS FUND**  
 June 30, 2012

SCHEDULE 6

	<u>State Lunch Fund</u>	<u>National School Lunch Fund</u>	<u>School Breakfast Fund</u>	<u>Truants Alternative/ Optional Education Program - ARRA Education Jobs Fund</u>	<u>Alternative Resource Center (ARC) - ARRA Education Jobs Fund</u>	<u>Totals</u>
<b>ASSETS</b>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCE</b>						
None	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 ALTERNATIVE SCHOOLS FUND ACCOUNTS  
 Year Ended June 30, 2012

SCHEDULE 7

	State Lunch Fund	National School Lunch Fund	School Breakfast Fund	Truants Alternative/ Optional Education Program - ARRA Education Jobs Fund	Alternative Resource Center (ARC) - ARRA Education Jobs Fund	Totals
<b>REVENUES:</b>						
Local sources	\$ 2	\$ 32	\$ 9	\$ -	\$ -	\$ 43
State sources	872	-	-	-	-	872
Federal sources	-	16,347	5,007	505	200	22,059
Total revenues	<u>874</u>	<u>16,379</u>	<u>5,016</u>	<u>505</u>	<u>200</u>	<u>22,974</u>
<b>EXPENDITURES:</b>						
Current:						
Education:						
Benefits	-	-	-	505	200	705
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>874</u>	<u>16,379</u>	<u>5,016</u>	<u>-</u>	<u>-</u>	<u>22,269</u>
<b>OTHER FINANCING USES:</b>						
Transfers out	<u>(874)</u>	<u>(16,379)</u>	<u>(5,016)</u>	<u>-</u>	<u>-</u>	<u>(22,269)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2012

	Institute Fund	Bus Driver Fund	General Education Development Fund	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 30,236	\$ 1,417	\$ 4,269	\$ 35,922
Accounts receivable	<u>52</u>	<u>42</u>	<u>100</u>	<u>194</u>
<b>TOTAL ASSETS</b>	<u>\$ 30,288</u>	<u>\$ 1,459</u>	<u>\$ 4,369</u>	<u>\$ 36,116</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 311</u>	<u>\$ 338</u>
<b>FUND BALANCE</b>				
Restricted	<u>30,261</u>	<u>1,459</u>	<u>4,058</u>	<u>35,778</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 30,288</u>	<u>\$ 1,459</u>	<u>\$ 4,369</u>	<u>\$ 36,116</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended June 30, 2012**

	<u>Institute Fund</u>	<u>Bus Driver Fund</u>	<u>General Education Development Fund</u>	<u>Totals</u>
<b>REVENUES:</b>				
Local sources	\$ 18,138	\$ 1,233	\$ 5,861	\$ 25,232
State sources	-	632	-	632
Total revenues	<u>18,138</u>	<u>1,865</u>	<u>5,861</u>	<u>25,864</u>
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries	6,853	-	-	6,853
Benefits	2,751	-	-	2,751
Purchased services	1,717	1,796	314	3,827
Supplies and materials	486	60	3,001	3,547
Miscellaneous	255	-	-	255
Payment to other governments	-	-	1,781	1,781
Total operating expenses	<u>12,062</u>	<u>1,856</u>	<u>5,096</u>	<u>19,014</u>
<b>NET CHANGE IN FUND BALANCE</b>	6,076	9	765	6,850
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>24,185</u>	<u>1,450</u>	<u>3,293</u>	<u>28,928</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 30,261</u>	<u>\$ 1,459</u>	<u>\$ 4,058</u>	<u>\$ 35,778</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**Year Ended June 30, 2012**

	<u>Balance,</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2012</u>
<b><u>SCHOOL FACILITY OCCUPATION TAX</u></b>				
<b>ASSETS</b>				
Cash	\$ 63,988	\$ 786,758	\$ 850,507	\$ 239
Due from other governments	<u>133,429</u>	<u>782,947</u>	<u>786,519</u>	<u>129,857</u>
<b>TOTAL ASSETS</b>	<u>\$ 197,417</u>	<u>\$ 1,569,705</u>	<u>\$ 1,637,026</u>	<u>\$ 130,096</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 197,417</u>	<u>\$ 783,186</u>	<u>\$ 850,507</u>	<u>\$ 130,096</u>