

**State of Illinois
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
& OMB Circular A-133)
For the Year Ended June 30, 2012**

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

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**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

OFFICIALS

Regional Superintendent
(Current effective December 1, 2012)

Mr. Kelton J.V. Davis

Regional Superintendent
(During the Audit Period through November 30, 2012)

Dr. Marc L. Kiehna

Assistant Regional Superintendent
(During the Audit Period through November 30, 2012)

Mr. Kelton J.V. Davis

Assistant Regional Superintendent
(Current effective December 1, 2012)

Ms. Mary Ann Quivey

Offices are located at:

107 East Mill Street
Waterloo, Illinois 62298

Randolph County Courthouse
#1 Taylor Street
Chester, Illinois 62233

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

A matter, which is less than a significant deficiency or material weakness but more than inconsequential, has been reported in a Management Letter of Comment to the Regional Superintendent.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
12-01	12	Material Journal Entries	Material Weakness
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)			
None			
PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)			
11-01		Inadequate Monitoring of Collateral on Deposits	Material Weakness
PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)			
None			

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

EXIT CONFERENCE

An informal exit conference was held with Agency personnel on August 16, 2012 to review the auditor's report. Attending were Marc Kiehna, Regional Superintendent; Kelton Davis, Assistant Regional Superintendent; Linda Schmidt, Comptroller; Michelle Coleman, Fiscal Assistant; Kimberly Walker, CPA, Partner, Kemper CPA Group LLP; and Kara Bevis, CPA, Manager, Kemper CPA Group LLP. Responses to the recommendations were provided by Marc Kiehna, Regional Superintendent on November 27, 2012.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Regional Office of Education #45 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #45's basic financial statements.

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monroe and Randolph Counties Regional Office of Education #45, as of and for the year ended June 30, 2012, which collectively comprise the Monroe and Randolph Counties Regional Office of Education #45's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Monroe and Randolph Counties Regional Office of Education #45'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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monroe and Randolph Counties Regional Office of Education #45, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 8, 2013, on our consideration of the Monroe and Randolph Counties Regional Office of Education #45's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a through 16h and 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monroe and Randolph Counties Regional Office of Education #45's financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
February 8, 2013

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monroe and Randolph Counties Regional Office of Education #45, as of and for the year ended June 30, 2012, which collectively comprise the Monroe and Randolph Counties Regional Office of Education #45's basic financial statements and have issued our report thereon dated February 8, 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 Monroe and Randolph Counties Regional Office of Education #45 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Monroe and Randolph Counties Regional Office of Education #45'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 Monroe and Randolph Counties Regional Office of Education #45's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Monroe and Randolph Counties Regional Office of Education #45's internal control over financial reporting.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in finding 12-01 in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Monroe and Randolph Counties Regional Office of Education #45'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 a certain matter which we have reported to management of the Monroe and Randolph Counties Regional Office of Education #45 in a separate letter dated February 8, 2013.

Monroe and Randolph Counties Regional Office of Education #45's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Monroe and Randolph Counties Regional Office of Education #45's response and, accordingly, we express no opinion on it.

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP

Certified Public Accountants and Consultants

Marion, Illinois
February 8, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the Monroe and Randolph Counties Regional Office of Education #45's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Monroe and Randolph Counties Regional Office of Education #45's major federal programs for the year ended June 30, 2012. The Monroe and Randolph Counties Regional Office of Education #45's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Monroe and Randolph Counties Regional Office of Education #45's management. Our responsibility is to express an opinion on the Monroe and Randolph Counties Regional Office of Education #45's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Monroe and Randolph Counties Regional Office of Education #45's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Monroe and Randolph Counties Regional Office of Education #45's compliance with those requirements.

In our opinion, the Monroe and Randolph Counties Regional Office of Education #45 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Monroe and Randolph Counties Regional Office of Education #45 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Monroe and Randolph Counties Regional Office of Education #45's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to

determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Monroe and Randolph Counties Regional Office of Education #45's internal control over compliance.

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

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

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



KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
February 8, 2013

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
● Material weakness(es) identified?	Yes
● Significant Deficiency(ies) identified?	No
● Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
● Material weakness(es) identified?	No
● Significant Deficiency(ies) identified?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	No

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.366B	Mathematics and Science Partnerships

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

Auditee qualified as a low-risk auditee?	No
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**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012**

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding No.: 12-01 – Material Journal Entries

Criteria/Specific Requirement:

The Monroe and Randolph Counties Regional Office of Education #45 (Regional Office) is required to maintain a system of internal controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP) in order to detect, prevent, and/or correct misstatements in the financial statements.

Condition:

Material adjusting journal entries were recorded, as a result of our audit, for the purpose of proper preparation of the GAAP based financial statements. Specifically, material adjusting journal entries were recorded for the following purposes:

1. To properly reverse a prior year adjusting journal entry;
2. To move transfer entries out of fund balance and into a transfer in/out account; and
3. To recognize deferred revenue for FY2013 revenue received in FY2012.

Effect:

Misstatements or omissions in the application of GAAP were not detected by management.

Cause:

Oversight by Regional Office personnel.

Recommendation:

The Regional Office should take appropriate steps to ensure that all transactions are properly recorded in accordance with GAAP prior to the audit being performed.

Management's Response:

The Regional Office of Education #45 agrees with the finding. The Regional Office's staff will more closely monitor journal entries to detect, prevent, and/or correct misstatements in the financial statements.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012**

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2012**

CORRECTIVE ACTION PLAN

Finding No.: 12-01 – Material Journal Entries

Condition:

Material adjusting journal entries were recorded, as a result of our audit, for the purpose of proper preparation of the GAAP based financial statements. Specifically, material adjusting journal entries were recorded for the following purposes:

1. To properly reverse a prior year adjusting journal entry;
2. To move transfer entries out of fund balance and into a transfer in/out account; and
3. To recognize deferred revenue for FY2013 revenue received in FY2012.

Plan:

The Regional Office's staff will more closely monitor journal entries to detect, prevent, and/or correct misstatements in the financial statements.

Anticipated Date of Completion:

June 30, 2012

Name of Contact Person:

Kelton Davis, Assistant Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2012**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
11-01	Inadequate Monitoring of Collateral on Deposits	Not Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

Management's Discussion and Analysis

As management of Monroe and Randolph Counties Regional Office of Education #45 (ROE #45), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the ROE #45 for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with ROE #45's financial statements, which follow this section.

2012 Financial Highlights

- The assets of Regional Office of Education #45 exceeded its liabilities by \$933,794 (net assets). Of this amount, \$75,849 is restricted for educational purposes. \$44,815 accounts for the capital assets with no related debt.
- The Regional Office of Education #45's total net assets increased by \$89,326. This change was mostly attributable to a decrease in cash of \$136,096 and an increase in the amount due from governmental activities of \$38,472. Deferred revenue for grants ending after June 30, 2012 reflected a \$162,825 decrease from the previous year.
- The capital assets (net) of Regional Office of Education #45 decreased by \$11,473 mostly attributable to the disposal of depreciated assets. The net change in accumulated depreciation was a decrease of \$16,491 which is similar to the prior year. See note #8 for further details.

Overview of the Financial Statements

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Agency's financial activities.
- The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These financial statements provide information about the activities of ROE #45 as a whole and present an overall view of the Agency's finances in a manner similar to private sector businesses.
- The Fund Financial Statements illustrate how governmental services were financed in the short term, as well as what remains for future spending. Fund financial statements report ROE #45's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements.
- Other information includes combining financial statements and budgetary information for certain general fund accounts, education fund accounts, and other non-major accounts.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

Management's Discussion and Analysis (Continued)

Overview of the Financial Statements (Continued)

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of ROE #45's finances, in a manner similar to private-sector businesses.

The *Statement of Net Assets* presents information on all of ROE #45's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of ROE #45 is improving or deteriorating.

The *Statement of Activities* presents information showing how ROE #45's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for certain items that will only result in cash flows in future fiscal periods.

In the *government-wide financial statements*, ROE #45's activities are divided into two categories:

- *Governmental activities*: Most of ROE #45's basic services are included here, such as regular and special education instruction, instructional staff support services and administration. Federal, state and local grants and contributions finance many of these activities.
- *Business-type activities*: ROE #45 charges fees to help cover the costs of certain services it provides, such as workshops, and conferences.

The government-wide financial statements can be found on pages 17-18 of this report.

Fund financial statements. The *fund financial statements* provide detailed information about ROE #45's funds, focusing on its most significant or "major" funds, not ROE #45 as a whole. Funds are accounting devices ROE #45 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law. ROE #45 establishes other funds to control and manage money for particular purposes, such as educational instruction in specific areas or in order to show that it is properly using certain revenues, such as federal grants. All of the funds of ROE #45 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

Management's Discussion and Analysis (Continued)

Overview of the Financial Statements (Continued)

Governmental funds. *Governmental funds* account for most of ROE #45's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. Because the governmental fund information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the statements. By so doing, the readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund Balance Sheet and the Statement of Revenue, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

ROE #45 maintains 5 individual governmental funds; the general fund, education fund, bus driver permit fund, general education development fund, and teachers' institute fund. Information is presented separately in the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the general fund and education fund, both considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19 and 21 of this report.

Proprietary funds. ROE #45 maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide statements. ROE #45 uses enterprise funds to account for educational services for which it charges a fee. Proprietary fund statements provide the same type of information as the government-wide financial statements, but with more detail and additional information, such as cash flows. The proprietary fund financial statements provide separate information for the Registration fund, and it is considered a major fund.

The proprietary fund required financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets and a Statement of Cash Flows. The basic proprietary fund financial statements can be found on pages 23-25 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support ROE #45's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund statement can be found on page 26 of this report.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

Management's Discussion and Analysis (Continued)

Overview of the Financial Statements (Concluded)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-49 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning ROE #45. Overall budgeting is not a legal requirement for ROE #45. Accordingly, formal budgets are not adopted; and therefore, budgetary comparison schedules are not included in the required supplementary information (RSI). However, ROE #45 is the recipient of monies from the Illinois State Board of Education (ISBE) for certain accounts within the general fund and for most accounts within the education fund on which ISBE requires budgetary comparison to actual results. Budgetary comparison schedules have been provided for the ISBE accounts to demonstrate compliance and can be found on pages 65-71, and 76-84 of this report. In addition, budgetary comparison schedules have been provided for the grants received from the Illinois Community College Board (ICCB), which can be found on pages 61-64 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and combining statements for the general and education funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 51-60, 72-75, and 85-89 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of financial position. In the case of ROE #45, assets exceeded liabilities by \$933,794 at the close of fiscal year 2012.

ROE #45's net assets are split approximately 74% to governmental activities and 26% to business-type activities. Of the governmental net assets, approximately 6% are invested in capital assets, 11% restricted as to use, and the remaining 83% unrestricted as to use.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

Management's Discussion and Analysis (Continued)

Government-wide Financial Analysis (Continued)

	ROE 45's Net Assets					
	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 678,243	\$ 844,414	\$252,216	\$179,701	\$ 930,459	\$ 1,024,115
Capital assets	40,704	55,351	4,111	937	44,815	56,288
Total assets	<u>718,947</u>	<u>899,765</u>	<u>256,327</u>	<u>180,638</u>	<u>975,274</u>	<u>1,080,403</u>
Other liabilities	29,360	228,915	12,120	7,020	41,480	235,935
Long-term debt	-	-	-	-	-	-
Total liabilities	<u>29,360</u>	<u>228,915</u>	<u>12,120</u>	<u>7,020</u>	<u>41,480</u>	<u>235,935</u>
Net assets:						
Invested in capital assets, net of related debt	40,704	55,351	4,111	937	44,815	56,288
Restricted	75,849	62,478	-	-	75,849	62,478
Unrestricted	<u>573,034</u>	<u>553,021</u>	<u>240,096</u>	<u>172,681</u>	<u>813,130</u>	<u>725,702</u>
Total net assets	<u>\$ 689,587</u>	<u>\$ 670,850</u>	<u>\$244,207</u>	<u>\$173,618</u>	<u>\$ 933,794</u>	<u>\$ 844,468</u>

During 2012, current assets, comprised predominately of cash and receivables, decreased \$93,656 due mainly to the loss of certain grants. There was a decrease of \$11,473 for capital assets. The net assets of the business-type activities increased by \$70,589. A portion of the increase in the net assets of the business type activities are attributed to the facilitation of programs previously supported by grant funding.

As indicated above, ROE #45 reported positive net assets for both the governmental and business-type activities. The assets of ROE #45 exceeded its liabilities at the close of the fiscal year by \$933,974 (net assets). Approximately 83% of net assets are unrestricted and 11% is restricted for specific purposes of governmental activities. The investment in net capital assets was \$44,815 at June 30, 2012. ROE #45 uses these capital assets in providing services to its citizens; consequently, these assets are not available for future spending.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

Management's Discussion and Analysis (Continued)

Government-wide Financial Analysis (Concluded)

Net assets of ROE #45 increased by \$89,326 during 2012. Governmental activities contributed an increase of \$18,737 Business-type activities increased by \$70,589. Key elements of the change are as follows:

	ROE 45's Changes in Net Assets					
	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program revenues:						
Charges for services	\$ 32,352	\$ 18,957	\$226,519	\$120,951	\$ 258,871	\$ 139,908
Operating grants & contributions	1,096,558	1,276,653	-	810	1,096,558	1,277,463
General revenues:						
Local sources	353,268	387,885	-	-	353,268	387,885
State sources	99,196	108,387	-	-	99,196	108,387
Transfers	4,698		(4,698)		-	-
On-behalf payments	312,141	317,860	-	-	312,141	317,860
Loss on asset disposal	(13,427)				(13,427)	
Interest	1,598	2,446	871	1,136	2,469	3,582
Total revenues	<u>1,886,384</u>	<u>2,112,188</u>	<u>222,692</u>	<u>122,897</u>	<u>2,109,076</u>	<u>2,235,085</u>
Expenses:						
Salaries and benefits	786,014	789,046	73,762	53,060	859,776	842,106
Purchased services	300,825	416,769	70,522	43,634	371,347	460,403
Supplies and materials	132,258	192,984	7,530	4,741	139,788	197,725
Payments to Govts	306,635	357,762	-	-	306,635	357,762
Other	13,410	10,995	-	14	13,410	11,009
Depreciation	16,364	14,933	289	288	16,653	15,221
On-behalf payments	312,141	317,860	-	-	312,141	317,860
Total expenses	<u>1,867,647</u>	<u>2,100,349</u>	<u>152,103</u>	<u>101,737</u>	<u>2,019,750</u>	<u>2,202,086</u>
Increase (decrease) in net assets	18,737	11,839	70,589	21,160	89,326	32,999
Net assets-beginning	<u>670,850</u>	<u>659,011</u>	<u>173,618</u>	<u>152,458</u>	<u>844,468</u>	<u>811,469</u>
Net assets-ending	<u>\$ 689,587</u>	<u>\$ 670,850</u>	<u>\$244,207</u>	<u>\$173,618</u>	<u>\$ 933,794</u>	<u>\$ 844,468</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

Management's Discussion and Analysis (Continued)

Governmental Activities

Revenues for governmental activities were \$1,886,384 and expenses were \$1,867,647. Revenues decreased \$225,804 due mostly to the reduction of funding for the final year of some grants for Mathematics and Science.

With the decrease in revenues, we could expect to see a decrease in expenses as well. Overall governmental expenses decreased approximately \$226,983 (exclusive of on-behalf payments) consisting primarily of a decrease of approximately \$3,032 in salaries and benefits, \$115,447 in purchased services, and \$60,726 in supplies and materials. Payments to other governments decreased by \$51,624 and other expenses increased by \$2,415. The decrease in payment to other governments, purchased services and supplies and materials was directly related to a decrease of grant funding. The depreciation increase was minimal at \$1,431.

Business-Type Activities

The charges for services increased by \$105,568 when compared to 2011. Our regional office entered into an agreement with districts to provide the beginning teacher induction program that had previously been supported by grant funding. Our office also provided services to some districts for the American Recovery And Reinvestment Act Comprehensive and Systemic Improvement Program (CASI II) that had previously been supported by grant funding as well. Overall expenses increased by \$50,366 when compared to 2011. All increases in spending were directly related to the extra services provided by our office. Salaries and benefits increased by \$20,702, purchased services increased by \$26,888, and supplies and materials increased by \$2,789.

Financial Analysis of ROE #45's Funds

Governmental funds. As previously noted, ROE #45 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. ROE #45's governmental funds reported combined fund balances of \$648,883 an increase of \$67,047 from last year's ending fund balance of \$581,836. The increase is mostly attributable to decreases in deferred revenue and accounts payable.

The general fund is the chief operating fund of ROE #45. At the end of the current fiscal year, the nonspendable, assigned, and unassigned fund balance of the general fund increased by \$23,590. The education fund increased by \$30,269. The education fund balance, consisting of nonspendable, assigned, and unassigned amounts, is for specific education program use.

Proprietary funds. ROE #45's proprietary funds consist of enterprise funds. The enterprise fund activity is the same type of information found in the government-wide financial statements, but in more detail. Aspects concerning the finances have already been addressed in the discussion of ROE #45's business-type activities.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2012**

Management's Discussion and Analysis (Concluded)

Budgetary Highlights

Presenting an overall budget is not a legal requirement of ROE #45. Formal budgets are not adopted for all funds; therefore budgetary comparison schedules are not included in the required supplementary information.

ROE #45 acts as the administrative agent for certain grant programs that are accounted for within the special revenue funds. These programs have separate budgets and are required to be reported to the Illinois State Board of Education. In addition, budgetary comparison schedules have been provided for the grants received from the Illinois Community College Board (ICCB). Comparison of budgeted and actual results for various programs are presented as supplementary information.

Capital Assets

	ROE 45's Capital Assets					
	Net of Accumulated Depreciation					
	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Equipment	\$ 40,704	\$ 55,351	\$ 4,111	\$ 937	\$ 44,815	\$ 56,288

At June 30, 2012 and June 30, 2011, ROE #45 had invested \$169,443 and \$197,407 respectively, in a broad range of capital assets, including office equipment, computers and audio-visual equipment.

ROE #45 had depreciation expense of \$16,653 and \$15,221 in 2012 and 2011, respectively, with accumulated depreciation of \$124,628 and \$141,119 at June 30, 2012 and 2011, respectively. More detailed information about capital assets is available in Note 8 to the financial statements.

During fiscal year 2012, the ROE updated some obsolete electronic equipment and removed equipment no longer the property of the Regional Office that had a combined original cost of \$46,571.

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, ROE #45 was uncertain about funding for the next year. The Mathematics & Science Partnership grants are in their final year of a 3-year cycle. We anticipate a continued delay in timeliness of state funding and payments for continuing grant programs. The Teacher Induction and Mentoring online system is no longer supported by University of Illinois grant funding but activities are continuing by participating district funding.

Contacting ROE #45's Financial Management

This financial report is designed to provide ROE #45's citizens, taxpayers and clients, with a general overview of ROE #45's finances and to demonstrate ROE #45's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Regional Superintendent's Office of Monroe/Randolph Counties, ROE #45, 107 East Mill Street, Waterloo, Illinois 62298.

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF NET ASSETS
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 551,165	\$ 167,643	\$ 718,808
Due from other governments	118,383	82,958	201,341
Prepaid expenses	8,695	1,615	10,310
Total Current Assets	678,243	252,216	930,459
Noncurrent Assets			
Capital assets, being depreciated, net	40,704	4,111	44,815
Total Noncurrent Assets	40,704	4,111	44,815
Total Assets	718,947	256,327	975,274
Liabilities			
Current Liabilities			
Accounts payable	15,818	-	15,818
Accrued wages and benefits	2,705	-	2,705
Deferred revenue	10,837	3,660	14,497
Due to other governments	-	8,460	8,460
Total Current Liabilities	29,360	12,120	41,480
NET ASSETS			
Invested in capital assets, net of related debt	40,704	4,111	44,815
Restricted for educational purposes	75,849	-	75,849
Unrestricted	573,034	240,096	813,130
TOTAL NET ASSETS	\$ 689,587	\$ 244,207	\$ 933,794

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Primary Government							
Governmental activities							
Instructional services							
Salaries	\$ 602,019	\$ 12,120	\$ 389,480	\$ -	\$ (200,419)	\$ -	\$ (200,419)
Employees benefits	183,995	4,447	102,445	-	(77,103)	-	(77,103)
Purchased services	300,825	9,788	188,561	-	(102,476)	-	(102,476)
Supplies and materials	132,258	2,504	109,745	-	(20,009)	-	(20,009)
Other	13,410	1,353	189	-	(11,868)	-	(11,868)
Payments to other governments	306,635	-	306,138	-	(497)	-	(497)
Depreciation	16,364	2,140	-	-	(14,224)	-	(14,224)
Administrative							
On-behalf payments - State	312,141	-	-	-	(312,141)	-	(312,141)
Total Governmental Activities	<u>1,867,647</u>	<u>32,352</u>	<u>1,096,558</u>	<u>-</u>	<u>(738,737)</u>	<u>-</u>	<u>(738,737)</u>
Business-type activities							
Registration services	<u>152,103</u>	<u>226,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,416</u>	<u>74,416</u>
Total Business-Type Activities	<u>152,103</u>	<u>226,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,416</u>	<u>74,416</u>
Total Primary Government	<u>\$ 2,019,750</u>	<u>\$ 258,871</u>	<u>\$ 1,096,558</u>	<u>\$ -</u>	<u>(738,737)</u>	<u>74,416</u>	<u>(664,321)</u>
General revenues							
Local sources					353,268	-	353,268
State sources					99,196	-	99,196
On-behalf payments - State					312,141	-	312,141
Interest					1,598	871	2,469
Gain (loss) on disposal of capital assets					(13,427)	-	(13,427)
Transfers					4,698	(4,698)	-
Total General Revenues and Transfers					<u>757,474</u>	<u>(3,827)</u>	<u>753,647</u>
Change in Net Assets					18,737	70,589	89,326
Net Assets - Beginning					670,850	173,618	844,468
Net Assets - Ending					<u>\$ 689,587</u>	<u>\$ 244,207</u>	<u>\$ 933,794</u>

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012**

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 479,604	\$ 4,547	\$ 67,014	\$ -	\$ 551,165
Due from other funds	90,950	-	-	(90,950)	-
Due from other governments	11,634	106,609	140	-	118,383
Prepaid expenses	6,445	-	2,250	-	8,695
Total Assets	\$ 588,633	\$ 111,156	\$ 69,404	\$ (90,950)	\$ 678,243
Liabilities					
Accounts payable	\$ 173	\$ 15,645	\$ -	\$ -	\$ 15,818
Accrued wages and benefits	2,705	-	-	-	2,705
Due to other funds	-	90,950	-	(90,950)	-
Deferred revenue	10,837	-	-	-	10,837
Total liabilities	13,715	106,595	-	(90,950)	29,360
Fund Balance					
Nonspendable	6,445	-	2,250	-	8,695
Restricted	-	-	67,154	-	67,154
Assigned	-	4,561	-	-	4,561
Unassigned	568,473	-	-	-	568,473
Total Fund Balances	574,918	4,561	69,404	-	648,883
Total Liabilities and Fund Balances	\$ 588,633	\$ 111,156	\$ 69,404	\$ (90,950)	\$ 678,243

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET ASSETS
June 30, 2012**

Total Fund Balances - Governmental Funds \$ 648,883

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.

40,704

Net Assets of Governmental Activities

\$ 689,587

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012**

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
Revenues					
Local sources	\$ 348,222	\$ 5,046	\$ 31,219	\$ -	\$ 384,487
State sources	99,196	314,862	1,133	-	415,191
State sources - payments made on behalf of region	312,141	-	-	-	312,141
Federal sources	8,530	806,829	-	-	815,359
Total Revenues	<u>768,089</u>	<u>1,126,737</u>	<u>32,352</u>	<u>-</u>	<u>1,927,178</u>
Expenditures					
Instructional Services					
Salaries	200,954	393,781	7,284	-	602,019
Employee benefits	77,746	103,576	2,673	-	183,995
Purchased services	112,923	182,019	5,883	-	300,825
Supplies and materials	19,796	110,957	1,505	-	132,258
Other	12,406	191	813	-	13,410
Payments to other governments	497	306,138	-	-	306,635
Payments made on behalf of region	312,141	-	-	-	312,141
Capital outlay	13,858	-	1,286	-	15,144
Total Expenditures	<u>750,321</u>	<u>1,096,662</u>	<u>19,444</u>	<u>-</u>	<u>1,866,427</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>17,768</u>	<u>30,075</u>	<u>12,908</u>	<u>-</u>	<u>60,751</u>
Other Financing Sources (Uses)					
Transfers in	14,765	-	-	(10,067)	4,698
Transfers out	(10,067)	-	-	10,067	-
Interest	1,124	194	280	-	1,598
Total Other Financing Sources (Uses)	<u>5,822</u>	<u>194</u>	<u>280</u>	<u>-</u>	<u>6,296</u>
Net Change in Fund Balance	23,590	30,269	13,188	-	67,047
Fund Balances - Beginning, Restated	<u>551,328</u>	<u>(25,708)</u>	<u>56,216</u>	<u>-</u>	<u>581,836</u>
Fund Balances - Ending	<u>\$ 574,918</u>	<u>\$ 4,561</u>	<u>\$ 69,404</u>	<u>\$ -</u>	<u>\$ 648,883</u>

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012**

Net Change in Fund Balance - Total Governmental Funds \$ 67,047

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

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.

FY2011 deferred revenue recognized in FY2012 - State sources (33,663)

Governmental funds report capital outlays as expenditures and proceeds from disposals as revenue. However, in the Statement of Activities the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense and gains and losses are reported on disposals.

Capital outlay	\$ 15,144	
Depreciation expense	(16,364)	
Loss on disposal of capital assets	(13,427)	(14,647)

Change in Net Assets of Governmental Activities \$ 18,737

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF NET ASSETS
PROPRIETARY FUND
June 30, 2012**

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
	<u>Registration</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 167,643
Due from other governments	82,958
Prepaid expenses	1,615
Total Current Assets	<u>252,216</u>
Noncurrent Assets	
Capital assets, net of accumulated depreciation	<u>4,111</u>
Total Noncurrent Assets	<u>4,111</u>
Total Assets	<u>256,327</u>
Liabilities	
Current Liabilities	
Due to other governments	8,460
Deferred revenue	3,660
Total Current Liabilities	<u>12,120</u>
Net Assets	
Invested in capital assets, net of related debt	4,111
Unrestricted	<u>240,096</u>
TOTAL NET ASSETS	<u>\$ 244,207</u>

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
For the Year Ended June 30, 2012**

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Registration</u>
Operating Revenues	
Charge for Services	\$ 226,519
Total Operating Revenues	<u>226,519</u>
 Operating Expenses	
Salaries	66,072
Employee benefits	7,690
Purchased services	70,522
Supplies and materials	7,530
Depreciation	289
Total Operating Expenses	<u>152,103</u>
Operating Income (Loss)	<u>74,416</u>
 Nonoperating Revenues	
Transfers out	(4,698)
Interest	871
Total Nonoperating Revenues	<u>(3,827)</u>
Change in Net Assets	70,589
 Net Assets - Beginning	<u>173,618</u>
 Net Assets - Ending	<u>\$ 244,207</u>

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2012**

	Business-Type Activities
	Enterprise Funds
	Registration
Cash flows from operating activities:	
Receipts from customers	\$ 180,620
Payments to suppliers and providers for goods and services	(79,667)
Payments to employees	(73,762)
Net cash provided by (used for) operating activities	27,191
Cash flows from noncapital financing activities	
Cash transfers to other funds	(4,698)
Net cash provided by (used for) noncapital financing activities	(4,698)
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(3,463)
Net cash provided by (used for) capital and related financing activities	(3,463)
Cash flows from investing activities:	
Interest received on investments	871
Net cash provided by (used for) investing activities	871
Net increase (decrease) in cash and cash equivalents	19,901
Cash and cash equivalents - beginning of year	147,742
Cash and cash equivalents - end of year	\$ 167,643
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 74,416
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	289
Change in assets and liabilities:	
(Increase) decrease in due from other governments	(50,999)
(Increase) decrease in prepaid expenses	(1,615)
Increase (decrease) in due to other governments	1,440
Increase (decrease) in deferred revenue	3,660
Net cash provided by (used for) operating activities	\$ 27,191

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
June 30, 2012**

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 1,362,176
Due from other governments	<u>446,485</u>
Total Assets	<u><u>\$ 1,808,661</u></u>
Liabilities	
Due to other governments	<u>\$ 1,808,661</u>
Total Liabilities	<u><u>\$ 1,808,661</u></u>

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #45 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2012, the Regional Office of Education #45 implemented 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 – an amendment of GASB Statement No. 53*. The Regional Office of Education #45 implemented these standards during the current year; however, GASB Statement No. 64 had no impact on the financial statements. The implementation of GASB Statement No. 57 amends GASB Statement No. 45, permitting an agent employer with an OPEB with fewer than 100 plan members to use the alternative measurement method to produce actuarially based information for purposes of financial reporting.

A. Date of Management's Review

Management has evaluated subsequent events through February 8, 2013, the date when the financial statements were available to be issued.

B. Financial Reporting Entity

The Regional Superintendent is responsible for supervision and control of school districts within the Regional Office of Education #45. This includes all aspects of supervision, reports and financial accounting of districts which are considered by State law to be in the Service Region. In addition, the Regional Superintendent is charged with responsibility for registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers' meetings and assist in their management; evaluate the schools in the region; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #45's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Reporting Entity (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education #45, or see that no payments are made unless the treasurer has filed or renewed appropriate bonds and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2012, the Regional Office of Education #45 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #45. Such activities are reported as a single major fund (Education Fund).

C. Scope of the Reporting Entity

The Regional Office of Education #45's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #45 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #45, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #45 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #45 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #45 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #45 being considered a component unit of the entity.

D. Government-Wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #45's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-Wide and Fund Financial Statements (Concluded)

The Regional Office of Education #45's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #45 accompanied by a total column. These statements are presented on an "economic resources" measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education #45's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges for services, and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Assets and as other sources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Assets. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent shortfalls in cash flow within grant programs and funds.

E. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and nonmajor funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Proprietary Fund Financial Statements (Concluded)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

F. Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements.

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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 recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

G. 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 grantor have been met.

The governmental funds financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Measurement Focus and Basis of Accounting (Concluded)

amounts will be paid to the Monroe & Randolph Counties Regional Office of Education #45; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable 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.

Under the terms of grant agreements, Regional Office of Education #45 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 resources available to finance the program. It is Regional Office of Education #45's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

H. Fund Accounting

The Regional Office of Education #45 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #45 uses governmental, proprietary, and fiduciary funds.

Governmental Funds

Governmental funds are those through which most governmental functions of the Regional Office of Education #45 are typically reported. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as a fund balance.

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #45 has presented all major funds that met the above qualifications.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

The Regional Office of Education #45 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #45. It is used to account for all financial resources, which benefit all school districts in the region except those required to be accounted and report for in another fund. General funds include the following:

Chester Office - This fund is used for general operations of the Chester office of the Regional Office of Education. It is used to account for all financial resources, except those required to be accounted for in another fund.

Waterloo Office - This fund is used for general operations of the Waterloo office of the Regional Office of Education. It is used to account for all financial resources, except those required to be accounted for in another fund.

General State Aid - This fund accounts for General State Aid used for the general operations of the Regional Safe Schools program.

County - The Regional Office of Education #45 receives a tax appropriation from Monroe and Randolph counties for operation purposes. These appropriations are requested on a yearly basis.

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

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

Adult Education - This fund accounts for monies received from the Illinois Community College Board (ICCB) for academic and vocational adult education programs including the following:

Federal Basic - This fund accounts for federal monies received from the ICCB which provide for adult basic education (GED) services for adult education clients.

Public Assistance - This fund accounts for State funds received from the ICCB for vocational training for adult education clients including computer and certified nurse assistant classes.

State Basic - This fund accounts for State funds received from the ICCB for vocational training and can be used the same as Public Assistance funds.

State Performance - This fund accounts for State monies received from the ICCB that can be used for any purpose that supports the adult education program.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

Adult Volunteer Literacy Grant Program – This program provides free one-on-one tutoring for adults who want to improve their basic reading and math skills and for English as a Second Language students. The Regional Office of Education #45 provides the training and the teaching materials for the volunteer tutors and the books and materials for the students.

Secretary of State Family Literacy Program - The program provides continuing adult education, English as a second language, childhood education, parenting resources, and activities for at risk families in the community of the Regional Office of Education #45.

ARRA – Education Jobs Fund Program - The purpose of the program is to provide assistance to save or create education jobs.

Regional Safe Schools - This program provides funding for an alternative school program for students removed from the regular school setting due to disruptive behavior.

Mathematics and Science Partnership - This program is a professional development program designed to improve the content knowledge and pedagogical skills of 5th through 12th grade teachers in mathematics and science.

Film Co-op - This account was established for the elementary, secondary, and private schools in the counties of the Regional Office of Education #45 to provide film and other audio-visual materials to its member school districts.

Rural Education Achievement Program - This grant is intended to assist the district in raising student academic achievement and meeting the State's definition of adequate yearly progress.

McKinney-Vento Education for Homeless Children - The fund provides educational services and strives to heighten community awareness of the need to serve the homeless population.

Area-Wide I-RTI Network Instructional Leader – This fund provides an area-wide instructional leader, area-wide assistant, and lead coach for the Area V Regional Offices of Education.

ROE/ISC Operations - This account is used for general operation of the Regional Office of Education office.

Beginning Teacher Induction Pilot Program - The purpose of the program is to provide new teachers with local mentors that assist in the mentoring and induction of these new staff members.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Concluded)

We the People Citizen Project - This program promotes competent and responsible participation in State and local government by actively engaging students in learning how to monitor and influence public policy and encourages civic participation among students, their parents, and members of the community.

Truants Alternative Optional Education - This program provides alternative educational program services to truant students referred from local schools to the Regional Office of Education #45.

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

Teacher's Institute - The Teacher's Institute Fund is authorized by Section 3-12 of the School Code. All examination, registration and renewal fees are paid into the Teacher's Institute Fund. The monies are used to defray administrative expenses incidental to teacher's institutes, workshops, or meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

Bus Driver Permit - This fund is used to account for the issuance of school bus driver permits and to sponsor instructional training courses for school bus drivers.

General Education Development - This fund was established to administer the high school level test of General Educational Development.

Proprietary Funds

Enterprise Funds - The Enterprise Funds account for the operation of the Registration program. This operation is financed and operated in a manner similar to private business operations.

Registration - The purpose of the Registration fund is to support professional development workshops for educators and enrichment programs for students. Educators/students pay registration fees for programs presented by the office. Presenter fees, supplies, room rental, and food costs are examples of expenses paid out of the registration fund.

Fiduciary Funds

Agency Funds are used to account for assets held by the Regional Office of Education #45 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Concluded)

Fiduciary Funds (Concluded)

Distributive Fund - This fund distributes monies received by the State to the school districts and other entities.

Human Services Educational/Vocational Project - This fund distributes monies received by the State for an Illinois Department of Human Services project with State mental health facilities for educating participants.

Area V Trail – This fund receives and disburses monies for workshops provided and paid for by all the Area V Regional Offices of Education.

I. Governmental Fund Balances

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. The General Fund account Waterloo Office Account and the Nonmajor Special Revenue Fund account Teacher’s Institute have nonspendable fund balances.

Restricted Fund Balance – The portion of a governmental fund’s net assets that are subject to external enforceable legal restrictions. The following funds are restricted by Illinois Statute: Teacher’s Institute, Bus Driver Permit, and General Education Development.

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. The Regional Office of Education #45 has no committed fund balances.

Assigned Fund Balance – The portion of a governmental fund’s net assets for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following Education Fund accounts have assigned fund balances: Film Co-op and We the People Citizen Project.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: Chester Office, Waterloo Office, General State Aid, and County.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Net Assets

Equity is classified as net assets and displayed in three components:

Invested in capital assets - Consists of capital assets, net of accumulated depreciation.

Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets."

K. Cash and Cash Equivalents

Cash and cash equivalents consists of cash on deposit. The Regional Office of Education #45 considers all liquid investments, including certificates of deposit, to be cash equivalents.

L. Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are recorded at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Equipment Furniture	5-10 years
Office Equipment	3-7 years

M. Interfund Receivables and Payables

The recordings of due from and due to other funds are a result of various borrowings between funds during the year.

N. 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.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

O. Budget Information

The Regional Office of Education #45 acts as the administrative agent for certain grant programs that are accounted for within the General Fund and the Education Fund. These programs have separate budgets and are required to be reported to the Illinois State Board of Education and Illinois Community College Board; however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the General Fund and the Special Revenue Fund do not have separate budgets.

Comparisons of budgeted and actual results for the following programs are presented as supplementary information: Adult Education - Federal Basic, Adult Education - Public Assistance, Adult Education - State Basic, Adult Education - State Performance, Adult Volunteer Literacy Grant Program, Secretary of State Family Literacy Program, Regional Safe Schools, Mathematics and Science Partnership, Rural Education Achievement Program, McKinney Vento Education for Homeless Children, Area-Wide I-RTI Network Instructional Leader, ROE/ISC Operations, Beginning Teacher Induction Pilot Program, and Truants Alternative Optional Education.

P. Compensated Absences

Vacation pay is considered an expenditure in the year it is paid. All vacation has to be used before fiscal year end, so no accrual is required.

Accumulated sick pay benefits are available to all full-time employees to use in future years. However, upon termination, the employees are not compensated for any unused sick days; therefore, no accruals or reserves have been established.

Q. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

NOTE 2: CASH AND CASH EQUIVALENTS

The *Illinois Compiled Statutes* authorize the Regional Office of Education #45 to make deposits and invest in U.S. Government, State of Illinois and municipal securities, certificates of deposit or time savings deposits insured by the FDIC, mortgage notes, bonds, or debentures issued by the Federal Housing Administration, bonds and other obligations of the Federal National Mortgage Association, commercial paper rated within the three highest classifications by at least two standard rating services, credit union shares, and the Illinois Public Treasurer's Investment Pool.

At June 30, 2012, the carrying amount of the Regional Office of Education #45's government-wide and fiduciary fund deposits were \$718,808 and \$1,362,176 respectively, and the bank balances were \$787,752 and \$1,408,442 respectively.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)

At June 30, 2012, \$1,021,190 of the Regional Office of Education #45's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$1,175,004 was collateralized by securities pledged by the Regional Office of Education #45's financial institution in the name of the Regional Office.

Credit Risk

The Regional Office of Education #45 is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code. The Regional Office of Education #45 has no investment policy that would further limit its investment choices. As of June 30, 2012 the Regional Office of Education #45 was in compliance with these guidelines.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Regional Office of Education #45 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Regional Office of Education's deposits may not be returned to it. The Regional Office of Education #45 does not have a deposit policy for custodial credit risk but follows the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code.

NOTE 3: DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #45's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #45's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #45's Regular plan members are required to contribute 4.50% 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 Regional Office of Education #45's annual required contribution rate for calendar year 2011 was 21.75%. The Regional Office of Education #45 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.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

Annual Pension Cost. The required contribution for calendar year 2011 was \$90,759.

THREE YEAR TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	\$ 90,759	100%	\$ 0
12/31/10	79,082	100%	0
12/31/09	44,636	100%	0

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% 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 #45'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 #45'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.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 53.98% funded. The actuarial accrued liability for benefits was \$1,182,469 and the actuarial value of assets was \$638,242, resulting in an underfunded actuarial accrued liability (UAAL) of \$544,227. The covered payroll for 2011 (annual payroll of active employees covered by the plan) was \$417,285 and the ratio of the UAAL to the covered payroll was 130%.

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 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #45 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (CONTINUED)

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% 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% 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 #45's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #45. For the year ended June 30, 2012, the State of Illinois contributions were based on 24.91% of creditable earnings not paid from federal funds, and the Regional Office of Education #45 recognized revenue and expenditures of \$79,967 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% (\$84,286) and 23.38% (\$95,049), respectively.

The Regional Office of Education #45 makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2012 were \$1,412. Contributions for the years ending June 30, 2011, and June 30, 2010, were \$1,054 and \$1,295, 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 #45, there is a statutory requirement for the Regional Office of Education #45 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2012, the employer pension contribution was 24.91% of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010, the employer contribution was 23.10% and 23.38% of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$112,723 were paid from federal and special trust funds that required employer contributions of \$28,079. For the years ended June 30, 2011 and June 30, 2010, required Regional Office of Education #45 contributions were \$15,496 and \$19,568 respectively.

- **Early retirement option.** The Regional Office of Education #45 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.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (CONCLUDED)

Early retirement option (Concluded). The maximum employer ERO contribution is 117.5% and applies when the member is age 55 at retirement.

For the year ended June 30, 2012, the Regional Office of Education #45 paid no employer contributions to TRS under the ERO program. For the years ended June 30, 2011 and June 30, 2010, the Regional Office of Education #45 paid no employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** If the Regional Office of Education #45 grants salary increases over 6% and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #45 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%.

For the year ended June 30, 2012, the Regional Office of Education #45 paid \$0 to TRS for employer contributions due on salary increases in excess of 6%. For the years ended June 30, 2011 and June 30, 2010, the Regional Office of Education #45 paid \$0 and \$299, respectively to TRS for employer contributions due on salary increases in excess of 6%.

If the Regional Office of Education #45 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, Regional Office of Education #45 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% of salary during the year ended June 30, 2012).

For the year ended June 30, 2012, the Regional Office of Education #45 paid no TRS contributions for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2011 and 2010, the Regional Office of Education #45 paid no employer contributions granted for sick leave days.

Further information on TRS. 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 Teacher's Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 5: OTHER POSTEMPLOYMENT COMMITMENTS

A. Teacher Health Insurance Security Fund

The Regional Office of Education #45 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers 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.

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 TRS who are not employees of the state to make a contribution to THIS Fund.

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

- **On-behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #45. State contributions are intended to match contributions to the THIS Fund from active members which were 0.88% of pay during the year ended June 30, 2012. State of Illinois contributions were \$2,143, and the Regional Office of Education #45 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2011 and June 30, 2010 were 0.88% and 0.84% of pay, respectively. State contributions on behalf of the Regional Office of Education #45's employees were \$1,599 and \$1,876, respectively.

- **Employer contributions to THIS Fund.** The Regional Office of Education #45 also makes contributions to THIS Fund. The Regional Office of Education #45's contribution was 0.66% during the years ended June 30, 2012 and June 30, 2011, and 0.63% during the year ended June 30, 2010. For the year ended June 30, 2012, the Regional Office of Education #45 paid \$1,607 to the THIS Fund. For the years ended June 30, 2011 and 2010, the Regional Office of Education #45 paid \$1,199 and \$1,407 to the THIS Fund, respectively, which was 100% of the required contribution.

Further information on THIS Fund. 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.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 5: OTHER POSTEMPLOYEMENT COMMITMENTS (CONCLUDED)

B. Egyptian Area Schools Employee Benefit Trust

Plan Description. The Regional Office of Education #45 contributes to the Egyptian Area Schools Employee Benefit Trust (the “Trust”), a cost-sharing multiple-employer defined benefit health care plan administered by the Board of Managers of the Trust. The Trust provides medical benefits to active and retired employees of approximately 180 participating employers. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. A copy of the report may be obtained by writing to the Egyptian Area Schools Employee Benefit Trust, c/o Meritain Health, 1109 Hartman Lane, Suite 202, Shiloh, IL 62221, or by calling Meritain Health at (866) 588-2431, Option 3 x 6105. The financial report is also posted on the Trust’s website at www.egtrust.org.

Funding Policy. The Trust Agreement establishing the Trust provides that contribution rates are established and may be modified by the Board of Managers of the Trust. Contribution rates are normally adjusted as of September 1 each year. As of June 30, 2012, participating employers were contractually required to contribute at the following rates for active and retired employees and dependents.

	Platinum Plan	Gold Plan	Silver Plan	Bronze Plan
Employee (Retiree)	\$632	\$571	\$493	\$420
Employee + spouse	\$1,305	\$1,178	\$1,022	\$864
Employee + child(ren)	\$1,260	\$1,136	\$985	\$848
Family	\$1,405	\$1,266	\$1,100	\$933

Participating employers may require employees and/or retirees to pay some or all of the required contributions to the employer, but the employer has the legal obligation to pay contributions to the Trust. The Regional Office of Education #45 requires retirees to pay 100% of the contribution for the coverage for retirees and their dependents.

The Board of Managers of the Trust sets the employer contribution rates each year based on an actuarial valuation. The Trust’s actuary has determined that as of June 30, 2012 the contribution rates exceed the Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Regional Office #45’s contributions to the Trust for the years ending June 30, 2012, June 30, 2011 and June 30, 2010, were \$76,675, \$69,104 and \$55,517, respectively, which equaled the contractually required contributions each year.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 6: INTERFUND RECEIVABLES AND PAYABLES

Interfund due to / from other fund balances at June 30, 2012 consist of the following individual due to / from other funds in the governmental fund Balance Sheet. These balances were eliminated in the government-wide Statement of Net Assets.

Fund	Due From	Due to
General Fund		
Office Account-Chester Office	\$ 49,091	\$ -
Office Account-Waterloo Office	35,081	-
General State Aid	6,778	-
Education Fund		
Chester Office		
Adult Education-Public Assistance	-	331
Adult Education-State Basic	-	9,425
Adult Education-State Performance	-	3,332
Adult Volunteer Literacy Grant Program	-	594
Secretary of State Family Literacy Program	-	805
Regional Safe Schools	-	6,778
Mathematics and Science Partnerships (2012-4936-20)	-	26,652
Mathematics and Science Partnerships (2012-4936-10)	-	7,952
Waterloo Office		
Mathematics and Science Partnerships (2012-4936-21)	-	9,779
McKinney Vento Education for Homeless Children	-	389
Area-Wide I-RTI Network Instructional Leader	-	14,327
Truants Alternative Optional Education	-	10,586
	<u>\$ 90,950</u>	<u>\$ 90,950</u>

NOTE 7: DUE TO/DUE FROM OTHER GOVERNMENTAL UNITS

The Regional Office of Education #45's General Fund, Education Fund, Nonmajor Special Revenue Fund, Proprietary Fund and Agency Fund, have funds due to and due from various other governmental units which consist of the following:

Due from Other Governments:

General Fund - Waterloo Office Account - Local Governments	\$ 10,253
General Fund - General State Aid - Local Governments	1,381
Special Revenue Fund – Education Fund	
Illinois State Board of Education	77,342
Illinois Community College Board	13,088
Illinois Secretary of State	1,449
Local Governments	14,730
Nonmajor Special Revenue Fund - General Education	
Development Fund - Local Governments	140
Proprietary Fund - Registration Fund - Local Governments	82,958

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 7: DUE TO/DUE FROM OTHER GOVERNMENTAL UNITS (CONCLUDED)

Due from Other Governments (Concluded):

Fiduciary Fund - Distributive Fund – Illinois State Board of Education	346,594
Fiduciary Fund - Human Services Educational/Vocational Project Funds - Illinois State Board of Education	99,891
Total	\$ 647,826

Due to Other Governments:

Proprietary Fund - Registration Fund - Lindenwood University	\$ 8,460
Fiduciary Fund - Distributive Fund – Local School Districts and Other Entities	346,594
Fiduciary Fund - Human Services Educational/Vocational Project Funds – Local School Districts and Other Entities	1,452,930
Fiduciary Fund – Area V Trail – Local Governments	9,137
Total	\$ 1,817,121

NOTE 8: CAPITAL ASSETS

Governmental Activities

Capital asset activity for fiscal year 2012 was as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Governmental Funds				
Total Capital Assets	\$ 195,966	\$ 15,144	\$ 46,571	\$ 164,539
Less: Accumulated Depreciation	140,615	16,364	33,144	123,835
Governmental Funds				
Investment in Capital Assets, Net	\$ 55,351	\$ (1,220)	\$ 13,427	\$ 40,704

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 8: CAPITAL ASSETS (CONCLUDED)

Business-Type Activities

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Business-type Activities				
Total Capital Assets	\$ 1,441	\$ 3,463	\$ -	\$ 4,904
Less: Accumulated Depreciation	504	289	-	793
Business-type Activities				
Investment in Capital Assets, Net	\$ 937	\$ 3,174	\$ -	\$ 4,111

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$16,364 and \$289 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities for the year ended June 30, 2012. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 9: DISTRIBUTIVE FUND INTEREST

A written agreement between the Regional Office of Education #45's school boards, which receive funds through the Regional Office of Education #45, provides for the retention of interest earned on the State Distributive Fund checking account by the Regional Superintendent to be used for the benefit of all of the districts in the region. During the year the distributive fund earned interest of \$114. At June 30, 2012 all accumulated interest had been distributed.

NOTE 10: RISK MANAGEMENT

The Regional Office of Education #45 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Regional Office of Education #45 has purchased commercial insurance to cover these risks. During the year ended June 30, 2012, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 11: ON-BEHALF PAYMENTS

The State of Illinois pays the following salaries and benefits on behalf of Regional Office of Education #45:

Regional Superintendent Salary	\$	100,128
Regional Superintendent Fringe Benefits (Includes State paid insurance)		20,195
Assistant Regional Superintendent Salary		90,120
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)		19,588
TRS Pension Contributions		79,967
THIS Fund Contributions		<u>2,143</u>
 Total	 \$	 <u><u>312,141</u></u>

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

These amounts have been recorded in the accompanying governmental fund financial statements as state revenue and expenditures.

NOTE 12: INTERFUND TRANSFERS

Interfund transfers in/out to other fund balances at June 30, 2012, consist of the following individual transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Office Account-Chester Office	\$ -	\$ 1,499
Office Account-Waterloo Office	14,765	
General State Aid	-	1,500
County Account	-	7,068
Proprietary Fund		
Registration Fund	-	4,698
Total	<u>\$ 14,765</u>	<u>\$ 14,765</u>

NOTE 13: OPERATING LEASES

Lease 1: On December 1, 2010 the Regional Office of Education #45 entered into a one year lease agreement with Monroe County, IL for rental of 107 East Mill Street, Waterloo (Waterloo Regional Office building) beginning December 1, 2010 and terminating November 30, 2011. The Regional Office of Education #45 renewed the lease starting December 1, 2011 and terminating November 30, 2012. The lease is payable in monthly installments of \$1,800. Lease expense for the office building for fiscal year 2012 was \$21,600.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 13: OPERATING LEASES (CONCLUDED)

Lease 2: On June 15, 2012 the Regional Office of Education #45 entered into a lease agreement with FP Mailing Solutions for a postage meter held at the Chester office for 36 months beginning July 1, 2012 through June 30, 2015. The lease is payable in quarterly amounts of \$60. Total lease expense for fiscal year 2012 was \$240.

Lease 3: On June 21, 2010 the Regional Office of Education #45 entered into a lease agreement with St. Patrick Catholic Church of Ruma, IL for rental of the building known as “brick school” for three years beginning July 1, 2010 and terminating June 30, 2013. The lease is payable in monthly installments of \$875 per month. Lease expense for the “brick school” for fiscal year 2012 was \$10,500.

Lease 4: On August 1, 1999 the Regional Office of Education #45 entered into a month-to-month lease agreement with Hillside Storage Rentals for rental of a storage stall in Chester. The lease is payable on a monthly basis with a monthly rental fee of \$40. Rent expense for the storage unit for fiscal year 2012 was \$480.

Lease 5: On August 18, 2007 the Regional Office of Education #45 entered into a lease agreement with Pitney Bowes for 5 years and 3 months for a postage meter held at the Waterloo Office beginning September 1, 2007 through December 30, 2012. The lease is payable in quarterly payments of \$177. The lease expense for fiscal year 2012 was \$708.

Lease 6: On October 21, 2009, the Regional Office of Education #45 entered into a lease agreement with Toshiba Financial Services for rental of a copier kept at the Waterloo office building for 5 years and 3 months beginning with December 1, 2009 and terminating February 28, 2015. The lease is payable in monthly installments of \$257. Lease expense for the copier for fiscal year 2012 was \$3,084.

Lease 7: On October 21, 2009, the Regional Office of Education #45 entered into a lease agreement with Toshiba Financial Services for rental of a copier kept at the Red Brick School for 5 years and 3 months beginning with December 1, 2009 and terminating February 28, 2015. The lease is payable in monthly installments of \$248. Lease expense for the copier for fiscal year 2012 was \$2,976.

Lease 8: On October 21, 2009, the Regional Office of Education #45 entered into a lease agreement with Toshiba Financial Services for rental of a copier kept at the Chester office building for 5 years and 3 months beginning with December 1, 2009 and terminating February 28, 2015. The lease is payable in monthly installments of \$214. Lease expense for the copier for fiscal year 2012 was \$2,568.

The Regional Office of Education #45’s future minimum lease payments based on the leases detailed above are as follows:

Fiscal Year		
2013	\$	28,722
2014		8,868
2015		5,992
	\$	43,582

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE 14: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net assets and funds which over expend appropriations during the year are required to be disclosed.

No funds/fund accounts had deficit fund balances at June 30, 2012.

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
June 30, 2012**

UNAUDITED

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$638,242	\$1,182,469	\$544,227	53.98%	\$417,285	130.42%
12/31/10	862,947	1,374,834	511,887	62.77%	406,172	126.03%
12/31/09	904,589	1,341,096	436,507	67.45%	404,678	107.87%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$577,480. On a market basis, the funded ratio would be 48.84%.

OTHER SUPPLEMENTAL INFORMATION

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2012**

	Office Account		General State Aid	County Account	Total
	Chester	Waterloo	Chester	Waterloo	
Assets					
Cash and cash equivalents	\$ 21,017	\$ 159,614	\$ 229,890	\$ 69,083	\$ 479,604
Due from other funds	49,091	35,081	6,778	-	90,950
Due from other governments	-	10,253	1,381	-	11,634
Prepaid expenses	-	6,445	-	-	6,445
Total Assets	\$ 70,108	\$ 211,393	\$ 238,049	\$ 69,083	\$ 588,633
Liabilities					
Accounts payable	\$ -	\$ -	\$ 173	\$ -	\$ 173
Accrued wages and benefits	-	2,705	-	-	2,705
Deferred revenue	108	-	-	10,729	10,837
Total Liabilities	108	2,705	173	10,729	13,715
Fund Balance					
Nonspendable	-	6,445	-	-	6,445
Unassigned	70,000	202,243	237,876	58,354	568,473
Total Fund Balances	70,000	208,688	237,876	58,354	574,918
Total Liabilities and Fund Balances	\$ 70,108	\$ 211,393	\$ 238,049	\$ 69,083	\$ 588,633

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2012**

	Office Account		General State Aid	County Account	Total
	Chester	Waterloo	Chester	Waterloo	
Revenues					
Local sources	\$ 4,127	\$ 53,541	\$ 88,271	\$ 202,283	\$ 348,222
State sources	-	-	99,196	-	99,196
State sources - On Behalf Payments	-	312,141	-	-	312,141
Federal sources	-	-	8,530	-	8,530
Total Revenue	<u>4,127</u>	<u>365,682</u>	<u>195,997</u>	<u>202,283</u>	<u>768,089</u>
Expenditures					
Salaries	-	22,222	98,395	80,337	200,954
Employee benefits	-	8,085	30,915	38,746	77,746
Purchased services	3,544	23,204	33,151	53,024	112,923
Supplies and materials	1,046	-	13,933	4,817	19,796
Capital outlay	-	8,858	-	5,000	13,858
Other	129	3,793	-	8,484	12,406
Payments to other governments	-	-	-	497	497
Payments made on behalf of region	-	312,141	-	-	312,141
Total Expenditures	<u>4,719</u>	<u>378,303</u>	<u>176,394</u>	<u>190,905</u>	<u>750,321</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(592)</u>	<u>(12,621)</u>	<u>19,603</u>	<u>11,378</u>	<u>17,768</u>
Other Financing Sources (Uses)					
Transfers In	-	14,765	-	-	14,765
Transfers Out	(1,499)	-	(1,500)	(7,068)	(10,067)
Interest	33	802	108	181	1,124
Total Other Financing Sources (Uses)	<u>(1,466)</u>	<u>15,567</u>	<u>(1,392)</u>	<u>(6,887)</u>	<u>5,822</u>
Net Change in Fund Balance	(2,058)	2,946	18,211	4,491	23,590
Fund Balance - Beginning	<u>72,058</u>	<u>205,742</u>	<u>219,665</u>	<u>53,863</u>	<u>551,328</u>
Fund Balance - Ending	<u>\$ 70,000</u>	<u>\$ 208,688</u>	<u>\$ 237,876</u>	<u>\$ 58,354</u>	<u>\$ 574,918</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2012**

	<u>Education Fund</u>		
	<u>Chester</u>	<u>Waterloo</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ -	\$ 4,547	\$ 4,547
Due from other governments	63,200	43,409	106,609
	<u>63,200</u>	<u>43,409</u>	<u>106,609</u>
Total Assets	<u>\$ 63,200</u>	<u>\$ 47,956</u>	<u>\$ 111,156</u>
Liabilities			
Accounts payable	\$ 7,331	\$ 8,314	\$ 15,645
Due to other funds	55,869	35,081	90,950
Total Liabilities	<u>63,200</u>	<u>43,395</u>	<u>106,595</u>
Fund Balance			
Assigned	-	4,561	4,561
Total Fund Balance	<u>-</u>	<u>4,561</u>	<u>4,561</u>
Total Liabilities and Fund Balance	<u>\$ 63,200</u>	<u>\$ 47,956</u>	<u>\$ 111,156</u>

REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2012

	Education Fund		
	Chester	Waterloo	Total
Revenues			
Local sources	\$ 167	\$ 4,879	\$ 5,046
State sources	199,682	115,180	314,862
Federal sources	432,954	373,875	806,829
Total Revenues	<u>632,803</u>	<u>493,934</u>	<u>1,126,737</u>
Expenditures			
Salaries	212,049	181,732	393,781
Employee benefits	54,714	48,862	103,576
Purchased services	87,484	94,535	182,019
Supplies and materials	88,592	22,365	110,957
Other	61	130	191
Payments to other governments	163,820	142,318	306,138
Total Expenditures	<u>606,720</u>	<u>489,942</u>	<u>1,096,662</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>26,083</u>	<u>3,992</u>	<u>30,075</u>
Other Financing Sources (Uses)			
Interest	23	171	194
Total Other Financing Sources (Uses)	<u>23</u>	<u>171</u>	<u>194</u>
Net Change in Fund Balance	26,106	4,163	30,269
Fund Balance - Beginning	<u>(26,106)</u>	<u>398</u>	<u>(25,708)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 4,561</u>	<u>\$ 4,561</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
CHESTER OFFICE
June 30, 2012**

	<u>Adult Education Programs</u>	<u>Adult Volunteer Literacy Grant Program</u>	<u>Secretary of State Family Literacy Program</u>	<u>ARRA Education Jobs Program</u>	<u>Regional Safe Schools</u>
Assets					
Due from other governments	\$ 13,088	\$ 644	\$ 805	\$ -	\$ 6,778
Total Assets	<u>\$ 13,088</u>	<u>\$ 644</u>	<u>\$ 805</u>	<u>\$ -</u>	<u>\$ 6,778</u>
Liabilities					
Accounts payable	\$ -	\$ 50	\$ -	\$ -	\$ -
Due to other funds	<u>13,088</u>	<u>594</u>	<u>805</u>	<u>-</u>	<u>6,778</u>
Total Liabilities	<u>13,088</u>	<u>644</u>	<u>805</u>	<u>-</u>	<u>6,778</u>
Fund Balance					
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 13,088</u>	<u>\$ 644</u>	<u>\$ 805</u>	<u>\$ -</u>	<u>\$ 6,778</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
CHESTER OFFICE
June 30, 2012**

	<u>Mathematics and Science Partnership (2011-4936-20)</u>	<u>Mathematics and Science Partnership (2011-4936-10)</u>	<u>Mathematics and Science Partnership (2012-4936-20)</u>	<u>Mathematics and Science Partnership (2012-4936-10)</u>	<u>Total</u>
Assets					
Due from other governments	\$ -	\$ -	\$ 31,925	\$ 9,960	\$ 63,200
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,925</u>	<u>\$ 9,960</u>	<u>\$ 63,200</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ 5,273	\$ 2,008	\$ 7,331
Due to other funds	<u>-</u>	<u>-</u>	<u>26,652</u>	<u>7,952</u>	<u>55,869</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>31,925</u>	<u>9,960</u>	<u>63,200</u>
Fund Balance					
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,925</u>	<u>\$ 9,960</u>	<u>\$ 63,200</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
For the Year Ended June 30, 2012**

	Adult Education Programs	Adult Volunteer Literacy Grant Program	Secretary of State Family Literacy Program	ARRA Education Jobs Program	Regional Safe Schools
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	78,455	25,644	28,805	-	66,778
Federal sources	36,666	-	-	148	-
Total Revenues	<u>115,121</u>	<u>25,644</u>	<u>28,805</u>	<u>148</u>	<u>66,778</u>
Expenditures					
Salaries	59,963	15,373	23,262	146	56,982
Employee benefits	21,802	3,917	2,653	2	3,427
Purchased services	5,373	3,489	1,267	-	5,078
Supplies and materials	1,877	2,865	1,623	-	1,291
Other	1	1	-	-	-
Payments to other governments	-	-	-	-	-
Total Expenditures	<u>89,016</u>	<u>25,645</u>	<u>28,805</u>	<u>148</u>	<u>66,778</u>
Excess (Deficiency) of Revenues Over Expenditures	26,105	(1)	-	-	-
Other Financing Sources (Uses)					
Interest	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	26,106	-	-	-	-
Fund Balance - Beginning	<u>(26,106)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
For the Year Ended June 30, 2012**

	Mathematics and Science Partnership (2011-4936-20)	Mathematics and Science Partnership (2011-4936-10)	Mathematics and Science Partnership (2012-4936-20)	Mathematics and Science Partnership (2012-4936-10)	Total
Revenues					
Local sources	\$ -	\$ -	\$ 139	\$ 28	\$ 167
State sources	-	-	-	-	199,682
Federal sources	142,726	61,838	105,017	86,559	432,954
Total Revenues	<u>142,726</u>	<u>61,838</u>	<u>105,156</u>	<u>86,587</u>	<u>632,803</u>
Expenditures					
Salaries	12,050	10,557	18,586	15,130	212,049
Employee benefits	4,944	5,240	6,799	5,930	54,714
Purchased services	23,990	11,579	17,428	19,280	87,484
Supplies and materials	22,215	27,990	26,284	4,447	88,592
Other	22	37	-	-	61
Payments to other governments	79,521	6,440	36,059	41,800	163,820
Total Expenditures	<u>142,742</u>	<u>61,843</u>	<u>105,156</u>	<u>86,587</u>	<u>606,720</u>
Excess (Deficiency) of Revenues Over Expenditures	(16)	(5)	-	-	26,083
Other Financing Sources (Uses)					
Interest	16	5	-	-	23
Total Other Financing Sources (Uses)	<u>16</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>23</u>
Net Change in Fund Balance	-	-	-	-	26,106
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,106)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
ADULT EDUCATION PROGRAMS
CHESTER OFFICE
June 30, 2012**

	<u>Federal Basic</u>	<u>Public Assistance</u>	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
Assets					
Due from other governments	\$ -	\$ 331	\$ 9,425	\$ 3,332	\$ 13,088
Total Assets	<u>\$ -</u>	<u>\$ 331</u>	<u>\$ 9,425</u>	<u>\$ 3,332</u>	<u>\$ 13,088</u>
Total Liabilities					
Due to other funds	\$ -	\$ 331	\$ 9,425	\$ 3,332	\$ 13,088
Total Liabilities	<u>-</u>	<u>331</u>	<u>9,425</u>	<u>3,332</u>	<u>13,088</u>
Fund Balance					
Unassigned	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 331</u>	<u>\$ 9,425</u>	<u>\$ 3,332</u>	<u>\$ 13,088</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
ADULT EDUCATION PROGRAMS
CHESTER OFFICE
For the Year Ended June 30, 2012**

	<u>Federal Basic</u>	<u>Public Assistance</u>	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
Revenues					
State sources	\$ -	\$ 2,601	\$ 62,526	\$ 13,328	\$ 78,455
Federal sources	36,666	-	-	-	36,666
Total Revenues	<u>36,666</u>	<u>2,601</u>	<u>62,526</u>	<u>13,328</u>	<u>115,121</u>
Expenditures					
Salaries	25,550	937	23,091	10,385	59,963
Employee benefits	10,273	72	9,335	2,122	21,802
Purchased services	719	170	3,948	536	5,373
Supplies and materials	124	143	1,325	285	1,877
Other	1	-	-	-	1
Total Expenditures	<u>36,667</u>	<u>1,322</u>	<u>37,699</u>	<u>13,328</u>	<u>89,016</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1)</u>	<u>1,279</u>	<u>24,827</u>	<u>-</u>	<u>26,105</u>
Other Financing Sources (Uses)					
Interest	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balance	-	1,279	24,827	-	26,106
Fund Balance - Beginning	<u>-</u>	<u>(1,279)</u>	<u>(24,827)</u>	<u>-</u>	<u>(26,106)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2011 to June 30, 2012)
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - FEDERAL BASIC
For the Year Ended June 30, 2012
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 36,666	\$ 36,666	\$ 36,666
Total Revenues	<u>36,666</u>	<u>36,666</u>	<u>36,666</u>
Expenditures			
Salaries	25,408	25,408	25,550
Employee benefits	9,859	9,859	10,273
Purchased services	1,247	1,247	719
Supplies and materials	152	152	124
Other	-	-	1
Total Expenditures	<u>36,666</u>	<u>36,666</u>	<u>36,667</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1)</u>
Other Financing Sources (Uses)			
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2011 to June 30, 2012)
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - PUBLIC ASSISTANCE
For the Year Ended June 30, 2012
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 1,322	\$ 1,322	\$ 2,601
Total Revenues	<u>1,322</u>	<u>1,322</u>	<u>2,601</u>
Expenditures			
Salaries	919	919	937
Employee benefits	70	70	72
Purchased services	183	183	170
Supplies and materials	150	150	143
Total Expenditures	<u>1,322</u>	<u>1,322</u>	<u>1,322</u>
Net Change in Fund Balance	-	-	1,279
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>(1,279)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2011 to June 30, 2012)
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - STATE BASIC
For the Year Ended June 30, 2012
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 37,699	\$ 37,699	\$ 62,526
Total Revenues	<u>37,699</u>	<u>37,699</u>	<u>62,526</u>
Expenditures			
Salaries	19,908	19,908	23,091
Employee benefits	8,116	8,116	9,335
Purchased services	4,437	4,437	3,948
Supplies and materials	5,238	5,238	1,325
Total Expenditures	<u>37,699</u>	<u>37,699</u>	<u>37,699</u>
Net Change in Fund Balance	-	-	24,827
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>(24,827)</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2011 to June 30, 2012)
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - STATE PERFORMANCE
For the Year Ended June 30, 2012
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 13,328	\$ 13,328	\$ 13,328
Total Revenues	<u>13,328</u>	<u>13,328</u>	<u>13,328</u>
Expenditures			
Salaries	10,449	10,449	10,385
Employee benefits	2,134	2,134	2,122
Purchased services	549	549	536
Supplies and materials	196	196	285
Total Expenditures	<u>13,328</u>	<u>13,328</u>	<u>13,328</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2011 to June 30, 2012)
EDUCATION FUND ACCOUNTS
ADULT VOLUNTEER LITERACY GRANT PROGRAM
For the Year Ended June 30, 2012
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 25,000	\$ 25,644	\$ 25,644
Total Revenues	<u>25,000</u>	<u>25,644</u>	<u>25,644</u>
Expenditures:			
Salaries	15,250	15,250	15,373
Employee benefits	3,850	4,250	3,917
Purchased services	3,400	3,300	3,489
Supplies and materials	2,500	2,844	2,865
Other	-	-	1
Total Expenditures	<u>25,000</u>	<u>25,644</u>	<u>25,645</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1)</u>
Other Financing Sources (Uses)			
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2011 to June 30, 2012)
EDUCATION FUND ACCOUNTS
SECRETARY OF STATE FAMILY LITERACY PROGRAM
For the Year Ended June 30, 2012
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 28,000	\$ 28,000	\$ 28,805
Total Revenues	<u>28,000</u>	<u>28,000</u>	<u>28,805</u>
Expenditures:			
Salaries	23,310	23,310	23,262
Employee benefits	2,136	2,136	2,653
Purchased services	1,754	1,754	1,267
Supplies and materials	800	800	1,623
Other	-	-	-
Total Expenditures	<u>28,000</u>	<u>28,000</u>	<u>28,805</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Interest	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2011 to June 30, 2012)
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS
For the Year Ended June 30, 2012
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 66,778	\$ 66,778	\$ 66,778
Total Revenues	<u>66,778</u>	<u>66,778</u>	<u>66,778</u>
Expenditures			
Salaries	55,980	55,980	56,982
Employee benefits	3,049	3,049	3,427
Purchased services	5,937	5,937	5,078
Supplies and materials	1,812	1,812	1,291
Total Expenditures	<u>66,778</u>	<u>66,778</u>	<u>66,778</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of February 1, 2011 to September 30, 2011)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (2011-4936-20)
For the Year Ended June 30, 2012
Chester Office

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 175,000	\$ 175,000	\$ 142,726
Total Revenues	<u>175,000</u>	<u>175,000</u>	<u>142,726</u>
Expenditures			
Salaries	11,140	13,580	12,050
Employee benefits	4,902	5,880	4,944
Purchased services	82,021	54,525	23,990
Supplies and materials	34,437	34,437	22,215
Other	-	-	22
Payments to other governments	42,500	66,578	79,521
Total Expenditures	<u>175,000</u>	<u>175,000</u>	<u>142,742</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(16)</u>
Other Financing Sources (Uses)			
Interest	-	-	16
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>16</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2010 to September 30, 2011)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (2011-4936-10)
For the Year Ended June 30, 2012
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 250,000	\$ 250,000	\$ 61,838
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>61,838</u>
Expenditures			
Salaries	25,170	34,320	10,557
Employee benefits	10,321	13,611	5,240
Purchased services	57,275	59,861	11,579
Supplies and materials	42,896	40,565	27,990
Other	-	-	37
Payments to other governments	114,338	101,643	6,440
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>61,843</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(5)</u>
Other Financing Sources (Uses)			
Interest	-	-	5
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2011 to September 30, 2012)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (2012-4936-20)
For the Year Ended June 30, 2012
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Local sources	\$ -	\$ -	\$ 139
Federal sources	225,000	225,000	105,017
Total Revenues	<u>225,000</u>	<u>225,000</u>	<u>105,156</u>
Expenditures			
Salaries	28,306	28,306	18,586
Employee benefits	9,095	9,095	6,799
Purchased services	32,795	32,795	17,428
Supplies and materials	36,104	36,104	26,284
Payments to other governments	118,700	118,700	36,059
Total Expenditures	<u>225,000</u>	<u>225,000</u>	<u>105,156</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of August 16, 2011 to September 30, 2012)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (2012-4936-10)
For the Year Ended June 30, 2012
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Local sources	\$ -	\$ -	\$ 28
Federal sources	100,000	100,000	86,559
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>86,587</u>
Expenditures			
Salaries	23,110	23,110	15,130
Employee benefits	8,949	8,949	5,930
Purchased services	26,205	26,205	19,280
Supplies and materials	6,836	6,836	4,447
Payments to other governments	34,900	34,900	41,800
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>86,587</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
WATERLOO OFFICE
June 30, 2012**

	Mathematics and Science Partnership (2011-4936-21)	Mathematics and Science Partnership (2011-4936-00)	Mathematics and Science Partnership (2012-4936-21)	Film Co-op	Rural Education Achievement Program	McKinney Vento Education for Homeless Children
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 4,397	\$ -	\$ -
Due from other governments	-	-	18,093	14	-	389
Total Assets	\$ -	\$ -	\$ 18,093	\$ 4,411	\$ -	\$ 389
Liabilities						
Accounts payable	\$ -	\$ -	\$ 8,314	\$ -	\$ -	\$ -
Due to other funds	-	-	9,779	-	-	389
Total Liabilities	-	-	18,093	-	-	389
Fund Balance						
Assigned	-	-	-	4,411	-	-
Total Fund Balances	-	-	-	4,411	-	-
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 18,093	\$ 4,411	\$ -	\$ 389

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
WATERLOO OFFICE
June 30, 2012**

	Area-Wide I-RTI Network Instructional Leader	ROE/ISC Operations	Beginning Teacher Induction Pilot Program (2011-3982-00)	We the People Citizen Project	Truants Alternative Optional Education	Total
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 150	\$ -	\$ 4,547
Due from other governments	14,327	-	-	-	10,586	43,409
Total Assets	\$ 14,327	\$ -	\$ -	\$ 150	\$ 10,586	\$ 47,956
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,314
Due to other funds	14,327	-	-	-	10,586	35,081
Total Liabilities	14,327	-	-	-	10,586	43,395
Fund Balance						
Assigned	-	-	-	150	-	4,561
Total Fund Balances	-	-	-	150	-	4,561
Total Liabilities and Fund Balances	\$ 14,327	\$ -	\$ -	\$ 150	\$ 10,586	\$ 47,956

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
For the Year Ended June 30, 2012**

	Mathematics and Science Partnership (2011-4936-21)	Mathematics and Science Partnership (2011-4936-00)	Mathematics and Science Partnership (2012-4936-21)	Film Co-op	Rural Education Achievement Program	McKinney Vento Education for Homeless Children
Revenues						
Local sources	\$ -	\$ -	\$ -	\$ 4,609	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	140,602	38,857	57,788	-	22,517	12,828
Total Revenues	<u>140,602</u>	<u>38,857</u>	<u>57,788</u>	<u>4,609</u>	<u>22,517</u>	<u>12,828</u>
Expenditures						
Salaries	11,710	7,247	12,341	3,621	-	10,710
Employee benefits	5,132	2,991	5,107	765	-	156
Purchased services	57,894	966	11,739	2,265	-	1,962
Supplies and materials	13,171	3,147	4,601	612	-	-
Other	82	46	-	-	-	1
Payments to other governments	52,695	24,506	24,000	-	22,517	-
Total Expenditures	<u>140,684</u>	<u>38,903</u>	<u>57,788</u>	<u>7,263</u>	<u>22,517</u>	<u>12,829</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(82)</u>	<u>(46)</u>	<u>-</u>	<u>(2,654)</u>	<u>-</u>	<u>(1)</u>
Other Financing Sources (Uses)						
Interest	82	46	-	38	-	1
Total Other Financing Sources (Uses)	<u>82</u>	<u>46</u>	<u>-</u>	<u>38</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balance	-	-	-	(2,616)	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,027</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,411</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
For the Year Ended June 30, 2012**

	Area-Wide I-RTI Network Instructional Leader	ROE/ISC Operations	Beginning Teacher Induction Pilot Program (2011-3982-00)	We the People Citizen Project	Truants Alternative Optional Education	Total
Revenues						
Local sources	\$ -	\$ -	\$ -	\$ 250	\$ 20	\$ 4,879
State sources	-	28,846	25,382	-	60,952	115,180
Federal sources	101,283	-	-	-	-	373,875
Total Revenues	<u>101,283</u>	<u>28,846</u>	<u>25,382</u>	<u>250</u>	<u>60,972</u>	<u>493,934</u>
Expenditures						
Salaries	68,849	14,814	6,120	500	45,820	181,732
Employee benefits	25,754	4,818	89	13	4,037	48,862
Purchased services	6,620	5,360	573	518	6,638	94,535
Supplies and materials	60	588	-	-	186	22,365
Other	-	-	1	-	-	130
Payments to other governments	-	-	18,600	-	-	142,318
Total Expenditures	<u>101,283</u>	<u>25,580</u>	<u>25,383</u>	<u>1,031</u>	<u>56,681</u>	<u>489,942</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>3,266</u>	<u>(1)</u>	<u>(781)</u>	<u>4,291</u>	<u>3,992</u>
Other Financing Sources (Uses)						
Interest	-	-	1	3	-	171
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</u>	<u>3</u>	<u>-</u>	<u>171</u>
Net Change in Fund Balance	-	3,266	-	(778)	4,291	4,163
Fund Balance - Beginning	<u>-</u>	<u>(3,266)</u>	<u>-</u>	<u>928</u>	<u>(4,291)</u>	<u>398</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 4,561</u>

REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of February 1, 2011 to September 30, 2011)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (2011-4936-21)
For the Year Ended June 30, 2012
Waterloo Office

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 175,000	\$ 175,000	\$ 140,602
Total Revenues	<u>175,000</u>	<u>175,000</u>	<u>140,602</u>
Expenditures			
Salaries	11,720	11,720	11,710
Employee benefits	5,033	5,033	5,132
Purchased services	73,436	73,436	57,894
Supplies and materials	29,735	29,735	13,171
Other	-	-	82
Payments to other governments	55,076	55,076	52,695
Total Expenditures	<u>175,000</u>	<u>175,000</u>	<u>140,684</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(82)</u>
Other Financing Sources (Uses):			
Interest	-	-	82
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>82</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of September 1, 2010 to August 31, 2011)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (2011-4936-00)
For the Year Ended June 30, 2012
Waterloo Office

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 169,345	\$ 169,345	\$ 38,857
Total Revenues	<u>169,345</u>	<u>169,345</u>	<u>38,857</u>
Expenditures			
Salaries	35,400	35,400	7,247
Employee benefits	11,560	11,560	2,991
Purchased services	20,182	20,182	966
Supplies and materials	12,050	12,050	3,147
Other	-	-	46
Payments to other governments	90,153	90,153	24,506
Total Expenditures	<u>169,345</u>	<u>169,345</u>	<u>38,903</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(46)</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>46</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>46</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2011 to September 30, 2012)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (2012-4936-21)
For the Year Ended June 30, 2012
Waterloo Office

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 225,000	\$ 225,000	\$ 57,788
Total Revenues	<u>225,000</u>	<u>225,000</u>	<u>57,788</u>
Expenditures			
Salaries	18,406	18,406	12,341
Employee benefits	7,988	7,988	5,107
Purchased services	102,958	102,958	11,739
Supplies and materials	20,356	20,356	4,601
Payments to other governments	75,292	75,292	24,000
Total Expenditures	<u>225,000</u>	<u>225,000</u>	<u>57,788</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2011 to September 30, 2012)
EDUCATION FUND ACCOUNTS
RURAL EDUCATION ACHIEVEMENT PROGRAM
For the Year Ended June 30, 2012
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 22,517	\$ 22,517	\$ 22,517
Total Revenues	<u>22,517</u>	<u>22,517</u>	<u>22,517</u>
Expenditures			
Payments to other governments	22,517	22,517	22,517
Total Expenditures	<u>22,517</u>	<u>22,517</u>	<u>22,517</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2011 to June 30, 2012)
EDUCATION FUND ACCOUNTS
MCKINNEY VENTO EDUCATION FOR HOMELESS CHILDREN
For the Year Ended June 30, 2012
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 12,159	\$ 12,829	\$ 12,828
Total Revenues	<u>12,159</u>	<u>12,829</u>	<u>12,828</u>
Expenditures			
Salaries	9,250	10,710	10,710
Employee benefits	134	156	156
Purchased services	2,650	1,963	1,962
Supplies and materials	125	-	-
Other	-	-	1
Total Expenditures	<u>12,159</u>	<u>12,829</u>	<u>12,829</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1)</u>
Other Financing Sources (Uses)			
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2011 to September 30, 2012)
EDUCATION FUND ACCOUNTS
AREA-WIDE I-RTI NETWORK INSTRUCTIONAL LEADER
For the Year Ended June 30, 2012
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 142,995	\$ 142,995	\$ 101,283
Total Revenues	<u>142,995</u>	<u>142,995</u>	<u>101,283</u>
Expenditures			
Salaries	95,034	95,034	68,849
Employee benefits	35,523	35,523	25,754
Purchased services	11,238	11,238	6,620
Supplies and materials	1,200	1,200	60
Total Expenditures	<u>142,995</u>	<u>142,995</u>	<u>101,283</u>
Net Change in Fund Balances	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2011 to June 30, 2012)
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS
For the Year Ended June 30, 2012
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 25,580	\$ 25,580	\$ 28,846
Total Revenues	<u>25,580</u>	<u>25,580</u>	<u>28,846</u>
Expenditures			
Salaries	13,750	13,750	14,814
Employee benefits	4,666	4,666	4,818
Purchased services	5,933	5,933	5,360
Supplies and materials	731	731	588
Capital outlay	500	500	-
Total Expenditures	<u>25,580</u>	<u>25,580</u>	<u>25,580</u>
Net Change in Fund Balances	-	-	3,266
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>(3,266)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of August 26, 2010 to August 31, 2011)
EDUCATION FUND ACCOUNTS
BEGINNING TEACHER INDUCTION PILOT PROGRAM (2011-3982-00)
For the Year Ended June 30, 2012
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 57,884	\$ 57,884	\$ 25,382
Total Revenues	<u>57,884</u>	<u>57,884</u>	<u>25,382</u>
Expenditures			
Salaries	12,500	12,500	6,120
Employee benefits	181	181	89
Purchased services	7,542	7,542	573
Supplies and materials	461	461	-
Other	-	-	1
Payments to other governments	37,200	37,200	18,600
Total Expenditures	<u>57,884</u>	<u>57,884</u>	<u>25,383</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1)</u>
Other Financing Sources (Uses)			
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2011 to June 30, 2012)
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE OPTIONAL EDUCATION
For the Year Ended June 30, 2012
Waterloo Office

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Local sources	\$ -	\$ -	\$ 20
State sources	56,661	56,661	60,952
Total Revenues	<u>56,661</u>	<u>56,661</u>	<u>60,972</u>
Expenditures			
Salaries	44,065	44,065	45,820
Employee benefits	3,493	3,493	4,037
Purchased services	8,558	8,558	6,638
Supplies and materials	545	545	186
Total Expenditures	<u>56,661</u>	<u>56,661</u>	<u>56,681</u>
Net Change in Fund Balance	-	-	4,291
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>(4,291)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2012**

	<u>Teacher's Institute Fund</u>	<u>Bus Driver Permit Fund</u>	<u>General Education Development Fund</u>	
	<u>Waterloo</u>	<u>Waterloo</u>	<u>Waterloo</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 45,486	\$ 1,104	\$ 20,424	\$ 67,014
Due from other governments	-	-	140	140
Prepaid Expenses	2,250	-	-	2,250
Total Assets	<u>\$ 47,736</u>	<u>\$ 1,104</u>	<u>\$ 20,564</u>	<u>\$ 69,404</u>
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance				
Nonspendable	2,250	-	-	2,250
Restricted	45,486	1,104	20,564	67,154
Total Fund Balances	<u>47,736</u>	<u>1,104</u>	<u>20,564</u>	<u>69,404</u>
Total Liabilities and Fund Balances	<u>\$ 47,736</u>	<u>\$ 1,104</u>	<u>\$ 20,564</u>	<u>\$ 69,404</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2012**

	Teacher's Institute Fund	Bus Driver Permit Fund	General Education Development Fund	
	<u>Waterloo</u>	<u>Waterloo</u>	<u>Waterloo</u>	<u>Total</u>
Revenues				
Local sources	\$ 22,915	\$ 1,218	\$ 7,086	\$ 31,219
State sources	-	763	370	1,133
Total Revenues	<u>22,915</u>	<u>1,981</u>	<u>7,456</u>	<u>32,352</u>
Expenditures				
Salaries	4,938	-	2,346	7,284
Employee benefits	1,855	-	818	2,673
Purchased services	1,840	2,321	1,722	5,883
Supplies and materials	76	-	1,429	1,505
Capital outlay	802	-	484	1,286
Other	-	-	813	813
Total Expenditures	<u>9,511</u>	<u>2,321</u>	<u>7,612</u>	<u>19,444</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>13,404</u>	<u>(340)</u>	<u>(156)</u>	<u>12,908</u>
Other Financing Sources (Uses)				
Interest	179	6	95	280
Total Other Financing Sources (Uses)	<u>179</u>	<u>6</u>	<u>95</u>	<u>280</u>
Net Change in Fund Balance	13,583	(334)	(61)	13,188
Fund Balance - Beginning	<u>34,153</u>	<u>1,438</u>	<u>20,625</u>	<u>56,216</u>
Fund Balance - Ending	<u>\$ 47,736</u>	<u>\$ 1,104</u>	<u>\$ 20,564</u>	<u>\$ 69,404</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2012**

	Distributive Fund	Human Services Educational/ Vocational Project Funds	Area V Trail	Total Agency Funds
Assets				
Cash and cash equivalents	\$ -	\$ 1,353,039	\$ 9,137	\$ 1,362,176
Due from other governments	<u>346,594</u>	<u>99,891</u>	<u>-</u>	<u>446,485</u>
Total Assets	<u><u>\$ 346,594</u></u>	<u><u>\$ 1,452,930</u></u>	<u><u>\$ 9,137</u></u>	<u><u>\$ 1,808,661</u></u>
Liabilities				
Due to other governments	<u>\$ 346,594</u>	<u>\$ 1,452,930</u>	<u>\$ 9,137</u>	<u>\$ 1,808,661</u>
Total Liabilities	<u><u>\$ 346,594</u></u>	<u><u>\$ 1,452,930</u></u>	<u><u>\$ 9,137</u></u>	<u><u>\$ 1,808,661</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2012**

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<u>Distributive Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 3,728,992	\$ 3,728,992	\$ -
Due from other governments	1,114,728	346,594	1,114,728	346,594
Total Assets	<u>\$ 1,114,728</u>	<u>\$ 4,075,586</u>	<u>\$ 4,843,720</u>	<u>\$ 346,594</u>
Liabilities				
Due to other governments	\$ 1,114,728	\$ 4,075,586	\$ 4,843,720	\$ 346,594
Total Liabilities	<u>\$ 1,114,728</u>	<u>\$ 4,075,586</u>	<u>\$ 4,843,720</u>	<u>\$ 346,594</u>
<u>Human Services Educational/Vocational Project</u>				
Assets				
Cash and cash equivalents	\$ 1,186,584	\$ 1,353,039	\$ 1,186,584	\$ 1,353,039
Due from other governments	334,578	99,891	334,578	99,891
Total Assets	<u>\$ 1,521,162</u>	<u>\$ 1,452,930</u>	<u>\$ 1,521,162</u>	<u>\$ 1,452,930</u>
Liabilities				
Due to other governments	\$ 1,521,162	\$ 1,452,930	\$ 1,521,162	\$ 1,452,930
Total Liabilities	<u>\$ 1,521,162</u>	<u>\$ 1,452,930</u>	<u>\$ 1,521,162</u>	<u>\$ 1,452,930</u>
<u>Area V Trail</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 9,137	\$ -	\$ 9,137
Total Assets	<u>\$ -</u>	<u>\$ 9,137</u>	<u>\$ -</u>	<u>\$ 9,137</u>
Liabilities				
Due to other governments	\$ -	\$ 9,137	\$ -	\$ 9,137
Total Liabilities	<u>\$ -</u>	<u>\$ 9,137</u>	<u>\$ -</u>	<u>\$ 9,137</u>
<u>Total</u>				
Assets				
Cash and cash equivalents	\$ 1,186,584	\$ 5,091,168	\$ 4,915,576	\$ 1,362,176
Due from other governments	1,449,306	446,485	1,449,306	446,485
Total Assets	<u>\$ 2,635,890</u>	<u>\$ 5,537,653</u>	<u>\$ 6,364,882</u>	<u>\$ 1,808,661</u>
Liabilities				
Due to other governments	\$ 2,635,890	\$ 5,537,653	\$ 6,364,882	\$ 1,808,661
Total Liabilities	<u>\$ 2,635,890</u>	<u>\$ 5,537,653</u>	<u>\$ 6,364,882</u>	<u>\$ 1,808,661</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2012**

Distributions	Acct. No.	Total	ROE #45	Beck Area Vocational Center	Mental Health	Chester NHSD 122	OKAW Regional Voc System-EFE
Local Funds							
Distributive Fund Interest	1510	\$ 114	\$ 114	\$ -	\$ -	\$ -	\$ -
Total Local Funds		114	114	-	-	-	-
State Funds							
General State Aid - Sec. 18-8	3001	958,205	98,801	667,877	-	191,527	-
Special Ed. - Extraordinary	3105	7,310	-	-	-	7,310	-
Voc. Ed. - Secondary Program Improvement	3220	1,517,919	-	-	759,057	-	758,862
Voc. Ed. - Agricultural Education	3235	12,695	-	-	-	-	12,695
State Free Lunch & Breakfast	3360	1,961	315	1,646	-	-	-
Transportation - Regular	3500	119,912	-	103,033	-	16,879	-
ROE School Bus Driver Training	3520	763	763	-	-	-	-
Truants Alternative/Operational Education	3695	74,366	74,366	-	-	-	-
Regional Safe Schools Program	3696	90,999	90,999	-	-	-	-
ROE/ISC Operations	3730	52,446	52,446	-	-	-	-
Teacher Mentoring Pilot Program	3982	29,500	29,500	-	-	-	-
Total State Funds		2,866,076	347,190	772,556	759,057	215,716	771,557
Federal Funds							
National School Lunch Program	4210	30,199	5,062	25,137	-	-	-
School Breakfast Program	4220	18,280	3,468	14,812	-	-	-
Fed. - Sp. Ed. - Pre-School Flow Through	4600	38,724	-	-	38,724	-	-
Fed. - Sp. Ed. - IDEA - Flow Through	4620	51,755	-	-	51,755	-	-
V.E. PERKINS	4740	173,694	-	-	173,694	-	-
V. E. - Perkins - Title IIC - Secondary	4745	113,745	-	-	-	-	113,745
ARRA - Title I School Improvement	4854	5,504	5,504	-	-	-	-
ARRA - Jobs Fund Program	4880	401	148	-	-	253	-
Title II - Teacher Quality	4932	1,015	-	1,015	-	-	-
Mathematics & Science Partnerships	4936	429,485	429,485	-	-	-	-
Total Federal Funds		862,802	443,667	40,964	264,173	253	113,745
Total Distributions		\$ 3,728,992	\$ 790,971	\$ 813,520	\$ 1,023,230	\$ 215,969	\$ 885,302

FEDERAL COMPLIANCE SECTION

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	ISBE Project # (1st 8 digits) or Contract #	Federal Expenditures
U. S. Department of Education - Direct Program			
Rural Education			
Rural Education Achievement Program	84.358A	S358A116739	\$ 22,517
U. S. Department of Education passed through Illinois Community College Board			
Adult Education - Basic Grants to States			
Adult Education - Federal Basic	84.002A	N/A	36,666
U. S. Department of Education passed through Illinois State Board of Education			
Mathematics & Science Partnerships			
Mathematics & Science Partnership (M)	84.366B	11-4936-00	38,857
Mathematics & Science Partnership (M)	84.366B	11-4936-10	61,838
Mathematics & Science Partnership (M)	84.366B	11-4936-20	142,726
Mathematics & Science Partnership (M)	84.366B	11-4936-21	140,602
Mathematics & Science Partnership (M)	84.366B	12-4936-10	86,559
Mathematics & Science Partnership (M)	84.366B	12-4936-20	105,017
Mathematics & Science Partnership (M)	84.366B	12-4936-21	57,788
			<u>633,387</u>
Education Jobs Fund			
ARRA - Education Jobs Fund Program	84.410A	12-4880-93	148
Total U. S. Department of Education passed through Illinois State Board of Education			
			<u>633,535</u>
U. S. Department of Education passed through Regional Office of Education #3			
Education for Homeless Children and Youth			
McKinney Education for Homeless Children	84.196A	12-4920-00	12,828
U. S. Department of Education passed through Regional Office of Education #47			
Special Education - State Personnel Development			
IDEA - Improvement Grants - Part D (RtI)	84.323A	12-4631-RN	101,283
TOTAL US DEPARTMENT OF EDUCATION			
			<u>806,829</u>
U. S. Department of Agriculture passed through Illinois State Board of Education			
School Breakfast Program			
School Breakfast Program	10.553	11-4220-00	327
School Breakfast Program	10.553	12-4220-00	3,141
			<u>3,468</u>
National School Lunch Program			
National School Lunch Program	10.555	11-4210-00	543
National School Lunch Program	10.555	12-4210-00	4,519
			<u>5,062</u>
Total U. S. Department of Agriculture passed through Illinois State Board of Education			
			<u>8,530</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 815,359</u>

(M) Program was audited as a major program

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012**

NOTE 1: REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Regional Office of Education #45 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Regional Office of Education #45 provided federal awards to subrecipients as follows:

Program Title: Mathematics and Science Partnership
Federal CFDA #: 84.366B
Amount provided to subrecipients: \$265,021

Program Title: Rural Education Achievement Program
Federal CFDA #: 84.358A
Amount provided to subrecipients: \$22,517

NOTE 3: DESCRIPTION OF MAJOR FEDERAL PROGRAM

Mathematics and Science Partnership

This program is a professional development program designed to improve the content knowledge and pedagogical skills of 5th through 12th grade teachers in mathematics and science.

NOTE 4: NON-CASH ASSISTANCE

None

NOTE 5: AMOUNT OF INSURANCE

None

NOTE 6: LOANS OR LOAN GUARANTEES OUTSTANDING

None