

**STATE OF ILLINOIS  
LASALLE COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 35**

**FINANCIAL AUDIT  
FOR THE YEAR ENDED JUNE 30, 2012**

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

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35

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**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
OFFICIALS**

Regional Superintendent  
(effective July 1, 2012 through current)

Mr. Christopher B. Dvorak

Regional Superintendent  
(through June 30, 2012)

Mr. James E. Carlson

Assistant Regional Superintendent  
(effective July 1, 2012 through current)

Ms. Christina Dougherty

Assistant Regional Superintendent  
(through June 30, 2012)

Mr. Christopher B. Dvorak

Office is located at:

119 West Madison Street, Room 102  
Ottawa, Illinois 61350

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
FINANCIAL REPORT SUMMARY**

The financial 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 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	-	-
Repeated audit findings	-	-
Prior recommendations implemented or not repeated	-	-

**SUMMARY OF FINDINGS AND RESPONSES**

Item No.	Page	Description	Finding Type
<b>FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)</b>			
	9	None	N/A
<b>FINDINGS AND RESPONSES (FEDERAL COMPLIANCE)</b>			
	9	None	N/A
<b>PRIOR FINDINGS NOT REPEATED (<i>GOVERNMENT AUDITING STANDARDS</i>)</b>			
	10	None	N/A

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
FINANCIAL REPORT SUMMARY - CONTINUED**

**EXIT CONFERENCE**

The LaSalle County Regional Office of Education No. 35 waived holding an exit conference to discuss the results of the financial audit for the year ended June 30, 2012 in a communication dated February 19, 2013.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the LaSalle County Regional Office of Education No. 35 was performed by Borschnack, Pelletier & Co.

Based on their audit, the auditors expressed unqualified opinions on the LaSalle County Regional Office of Education No. 35's basic financial statements.

## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the LaSalle County Regional Office of Education No. 35, as of and for the year ended June 30, 2012, which collectively comprise the LaSalle County Regional Office of Education No. 35's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the LaSalle County Regional Office of Education No. 35's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the LaSalle County Regional Office of Education No. 35, 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 22, 2013 on our consideration of the LaSalle County Regional Office of Education No. 35's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed



in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Illinois Municipal Retirement Fund Schedule of Funding Progress and the Other Postemployment Benefits Schedule of Funding Progress on pages 11 through 16 and 51 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 LaSalle County Regional Office of Education No. 35's financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Others 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Others have 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, and the Schedule of Disbursements to School District Treasurers and Others are fairly stated in all material respects in relation to the financial statements taken as a whole.

*Borschmann, Pelletier & Co.*

February 22, 2013

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the LaSalle County Regional Office of Education No. 35, as of and for the year ended June 30, 2012, which collectively comprise the LaSalle County Regional Office of Education No. 35's basic financial statements and have issued our report thereon dated February 22, 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 LaSalle County Regional Office of Education No. 35 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the LaSalle County Regional Office of Education No. 35's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the LaSalle County Regional Office of Education No. 35's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the LaSalle County Regional Office of Education No. 35's internal control over financial reporting.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the LaSalle County Regional Office of Education No. 35'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*.

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



February 22, 2013

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2012**

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

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?                           Yes      ✓   No
- Significant deficiency(ies) identified?                   Yes      ✓   None reported
- Noncompliance material to financial statements noted?           Yes      ✓   No

**Part II: Findings Related to the Basic Financial Statements**

There are no audit findings in the current year.

**Part III: Federal Award Findings**

**Instance of Noncompliance:**

None

**Significant Deficiency:**

None

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**JUNE 30, 2012**

There were no audit findings in the prior year.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2012**

The LaSalle County Regional Office of Education No. 35 (ROE) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2012 with comparative information for the year ended June 30, 2011. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements that follow.

**2012 Financial Highlights**

- Within the Governmental Funds, the General Fund revenues decreased by \$5,986 (2%) from \$363,832 in FY 2011 to \$357,846 in FY 2012. The General Fund's expenditures increased by \$8,219 (2%) from \$353,324 in FY 2011 to \$361,543 in FY 2012.
- Within the Governmental Funds, the Special Revenue Funds' revenues decreased by \$331,927 (21%) from \$1,571,810 in FY 2011 to \$1,239,883 in FY 2012. The Special Revenue Funds' expenditures decreased by \$246,132 (16%) from \$1,514,994 in FY 2011 to \$1,268,862 in FY 2012.
- The Enterprise Funds' revenues increased by \$64,871 (34%) from \$192,033 in FY 2011 to \$256,904 in FY 2012. The Enterprise Funds' expenditures increased by \$34,820 (18%) from \$188,738 in FY 2011 to \$223,558 in FY 2012.

**Using This Report**

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

- *Management's Discussion and Analysis* introduces financial statements and provides an analytical overview of the ROE's financial activities.
- The *Government-wide financial statements* consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the ROE as a whole and present an overall view of the ROE's finances.
- *Fund financial statements* report the ROE'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 needed for a full understanding of the data provided in the basic financial statements.
- *Required supplementary information and supplementary information* further explains and supports the financial statements and supplementary information provides detailed information about the non-major funds.

**Reporting the ROE as a Whole**

It is important to note, that several grants are a cooperative effort of the ROE and the Marshall/Putnam/Woodford Counties Regional Office of Education No. 43. Therefore, these figures may reflect grants that are intended to serve LaSalle County only, as well as grants that serve LaSalle, Marshall, Putnam and Woodford Counties.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2012**

**The Statement of Net Assets and the Statement of Activities**

Government-wide Financial Statements

The Government-wide financial statements report information about the ROE as a whole. The Statement of Net Assets includes all of the assets and liabilities, with the difference reported as *net assets*. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid using Generally Accepted Accounting Principles.

The Government-wide financial statements report the ROE's net assets and how they have changed. Net assets - the difference between assets and liabilities - are one way to measure the ROE's financial condition.

- Over time, increases or decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the ROE's overall financial condition, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

**Fund Financial Statements**

The fund financial statements provide detailed information about the ROE's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The ROE established other funds to control and manage money for particular purposes.

The ROE has three kinds of funds:

- (1) **Governmental funds** account for those funds through which most governmental functions of the ROE are financed. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at the year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the ROE's programs. The ROE's Governmental Funds include: the General Fund and the Special Revenue Funds. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
- (2) **Proprietary funds** account for resources from fees charged directly to those entities or individuals that use its services. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements but with more detail for major and non-major enterprise funds. The proprietary funds required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets and a Statement of Cash Flows.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2012**

(3) **Fiduciary funds** are used to account for assets held by the ROE in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets.

**Government-Wide Financial Analysis**

As noted earlier, net assets, when examined over time, may serve as an indicator of the financial health of the ROE. The net assets at the end of FY 2012 and 2011 totaled \$1,061,899 and \$1,129,271, respectively. The analysis that follows provides a summary of the ROE's net assets as of June 30.

**CONDENSED STATEMENT OF NET ASSETS**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
ASSETS						
Current assets	\$ 846,697	\$ 867,956	\$ 279,485	\$ 343,353	\$ 1,126,182	\$ 1,211,309
Capital assets, net of depreciation	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>846,697</b>	<b>867,956</b>	<b>279,485</b>	<b>343,353</b>	<b>1,126,182</b>	<b>1,211,309</b>
Current liabilities	47,730	62,164	16,553	19,874	64,283	82,038
<b>TOTAL LIABILITIES</b>	<b>47,730</b>	<b>62,164</b>	<b>16,553</b>	<b>19,874</b>	<b>64,283</b>	<b>82,038</b>
NET ASSETS						
Invested in capital assets, net of related debt	-	-	-	-	-	-
Restricted for educational purposes	148,082	136,220	-	-	148,082	136,220
Unrestricted	650,885	669,572	262,932	323,479	913,817	993,051
<b>TOTAL NET ASSETS</b>	<b>\$ 798,967</b>	<b>\$ 805,792</b>	<b>\$ 262,932</b>	<b>\$ 323,479</b>	<b>\$ 1,061,899</b>	<b>\$ 1,129,271</b>

The ROE's net assets decreased by \$67,372 (6%) during FY 2012. A decrease of 6,825 (1%) occurred in the Governmental Activities and a \$60,547 (19%) decrease occurred in the Business-Type Activities.



**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

**CHANGES IN NET ASSETS**

The following analysis shows the changes in net assets for the years ended June 30, 2012 and 2011.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Revenues:						
Program revenues:						
Charges for services	\$ 176,219	\$ 138,482	\$ 256,904	\$ 192,033	\$ 433,123	\$ 330,515
Operating grants and contributions	723,989	1,116,466	-	-	723,989	1,116,466
General revenues:						
Fees for services	9,866	9,371	-	-	9,866	9,371
Interest income	11,239	11,448	524	788	11,763	12,236
On-behalf payments	607,850	588,573	-	-	607,850	588,573
Total revenues	<u>1,529,163</u>	<u>1,864,340</u>	<u>257,428</u>	<u>192,821</u>	<u>1,786,591</u>	<u>2,057,161</u>
Expenses:						
Salaries	585,856	610,156	31,134	40,085	616,990	650,241
Benefits	115,532	129,919	5,664	7,523	121,196	137,442
Purchased services	237,207	393,165	159,934	108,980	397,141	502,145
Supplies and materials	39,577	62,585	16,700	25,259	56,277	87,844
Capital outlay	-	10,595	-	979	-	11,574
Depreciation	-	-	-	-	-	-
Payments to other governmental units	37,402	65,340	5,986	479	43,388	65,819
Miscellaneous	6,981	7,985	4,140	5,433	11,121	13,418
On-behalf payments	607,850	588,573	-	-	607,850	588,573
Total expenses	<u>1,630,405</u>	<u>1,868,318</u>	<u>223,558</u>	<u>188,738</u>	<u>1,853,963</u>	<u>2,057,056</u>
Income (loss) before operating transfers	(101,242)	(3,978)	33,870	4,083	(67,372)	105
Operating transfers	94,417	34,238	(94,417)	(34,238)	-	-
Change in net assets	(6,825)	30,260	(60,547)	(30,155)	(67,372)	105
Net assets, beginning	<u>805,792</u>	<u>775,532</u>	<u>323,479</u>	<u>353,634</u>	<u>1,129,271</u>	<u>1,129,166</u>
Net assets, ending	<u>\$ 798,967</u>	<u>\$ 805,792</u>	<u>\$ 262,932</u>	<u>\$ 323,479</u>	<u>\$ 1,061,899</u>	<u>\$ 1,129,271</u>

**Governmental Activities**

Revenues for governmental activities were \$1,529,163 and expenses were \$1,630,405. Most grants decreased in FY 2012. New programs totaling \$35,136 were funded in FY 2012. These new programs included Fairmount Minerals grants and ARRA Tech Enhancing Education programs. Expenses were proportionally decreased to meet the funding level. Notably, a \$107,907 transfer of Workshop funds to the ROE/ISC Operations Fund was needed to offset the overspending due to the State's budget cuts. This necessary spending enabled the ROE to complete all State mandated requirements.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2012**

**Business-Type Activities**

Revenues for business-type activities were \$257,428 and expenditures were \$223,558. The increase in revenue is attributed to more revenue in the non-major proprietary and workshop funds. The expense increases are attributed to the increased purchased services in the workshop and non-major proprietary funds in FY 2012.

**Financial Analysis of the ROE Funds**

As previously noted, the ROE uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The ROE's Governmental Funds reported combined fund balances of \$766,471.

**Governmental Fund Highlights**

- The School Services grant (ROE/ISC Operations) budget for both ROE #35 and ROE #43 was slashed \$55,693 (50%) compared to FY 2011. (In FY 12, ROE #43's grant was separate from ROE #35 and reported as an agency fund.) The funding provided by the State did not pay for all school service activities, etc. Workshop funds in the amount of \$107,907 were transferred to help offset the deficit.
- The dollar return on investments (certificate of deposit, short-term investments and interest earned on a float), declined because of the low interest rates. In order to provide services budgeted for the Direct Service Budget, certain investments again had to be liquidated which also reduced the amount of interest revenue received.
- County support for the Regional Office of Education No. 35 remained at level funding.
- The State Aid foundation level was the same as FY 2011 at \$6,119. However the State insufficiently funded this appropriation level and paid an effective rate of \$5,953. This required the ROE to raise the rates charged to the schools to maintain the Regional Safe Schools Programs.

**Proprietary Fund Highlights**

Total proprietary fund net assets decreased by \$60,547 (19%). The net decrease in the proprietary funds is attributed to the transfer of Proprietary Funds to School Services in order to complete all State required mandates.

**Fiduciary Fund Highlights**

There was a decrease of \$10,798,112 (62%) in total fiduciary funds additions for FY 2012. This decrease is attributed to management's FY 11's decision to have the majority of Distributive Funding transferred directly to the schools instead of through the ROE in order to increase fiscal efficiency and reduce ROE costs. There were some remaining FY 10 payments released in FY 11. In FY 12, however, there are only 3 remaining units that receive their payments through the ROE. Transactions during FY 2012 represent mainly transfers in and out of funds for the Distributive Fund.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2012**

**Budgetary Highlights**

The ROE annually prepares budgets for several funds which serve as a guideline for activities and expenditures. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the County Board for their approval. The Office Operations Budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the ROE and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Additionally, all ROE funds are reported to the Advisory Board.

**Capital Assets**

The ROE's capital assets include office equipment, computers, audio-visual equipment, and office furniture. The ROE maintains an inventory of capital assets which have been accumulated over time. For FY 2012 there were no acquisitions meeting the capitalization threshold. Depreciation expense for the FY 2012 was \$0. All of the ROE's capital assets were fully depreciated as of June 30, 2012.

**Economic Factors and Next Year's Budget**

At the time these financial statements were prepared and audited, the Regional Office was aware of several existing circumstances that could affect its financial health in the future:

- The interest rate on investments remains low and will impact interest earned.
- Most grants have been reduced significantly. However, the ROE Service Line remains level for FY 13. Covering expenditures from this source of revenue is impossible. As a result, ROE Service obligations will have to be met with other sources of revenue such as Teacher Institute, Workshops, etc. Failure to sufficiently fund ROEs will challenge the entire organization as the effects of the reductions ripple throughout the unit.
- General State Aid is being prorated at 97.30% of the FY 2012 foundation level of \$6,119 resulting an appropriation level of \$5,953. Federal ARRA offset that aided in previous years is not expected.
- County Board support for Regional Office of Education No. 35 will remain level.
- As a result of Public Act 97-0703, the ROE may consolidate part of ROE #43 into its operations.

**Contacting the ROE's Financial Management**

This financial report is designed to provide the ROE's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Regional Office of Education No. 35 at 119 W. Madison St., Room No. 102, Ottawa, IL 61350.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
STATEMENT OF NET ASSETS  
JUNE 30, 2012**

**EXHIBIT A**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 397,135	\$ 219,925	\$ 617,060
Investments	339,433	50,115	389,548
Accounts receivable	792	671	1,463
Prepaid expenses	2,227	4,454	6,681
Due from other governmental units	107,110	4,320	111,430
Total current assets	<u>846,697</u>	<u>279,485</u>	<u>1,126,182</u>
<b>Noncurrent assets</b>			
Capital assets, net	-	-	-
<b>TOTAL ASSETS</b>	<u>846,697</u>	<u>279,485</u>	<u>1,126,182</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	44,223	473	44,696
Due to other governmental units	3,507	-	3,507
Deferred revenues	-	16,080	16,080
<b>TOTAL LIABILITIES</b>	<u>47,730</u>	<u>16,553</u>	<u>64,283</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	-	-	-
Unrestricted	650,885	262,932	913,817
Restricted for educational purposes	148,082	-	148,082
<b>TOTAL NET ASSETS</b>	<u>\$ 798,967</u>	<u>\$ 262,932</u>	<u>\$ 1,061,899</u>

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



**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2012**

**EXHIBIT C**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>	<u>Fairmount Minerals Grants</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 360,063	\$ 2,601	\$ 14,493	\$ 7,715	\$ 12,263	\$ 397,135
Investments	230,168	-	73,094	-	36,171	339,433
Accounts receivable	29	-	571	-	192	792
Prepaid expenses	2,227	-	-	-	-	2,227
Due from other funds	76,041	-	-	-	-	76,041
Due from other governmental units	4,900	102,044	-	-	166	107,110
<b>TOTAL ASSETS</b>	<b>\$ 673,428</b>	<b>\$ 104,645</b>	<b>\$ 88,158</b>	<b>\$ 7,715</b>	<b>\$ 48,792</b>	<b>\$ 922,738</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 18,660	\$ 25,063	\$ -	\$ -	\$ 500	\$ 44,223
Due to other funds	3,333	72,708	-	-	-	76,041
Due to other governmental units	550	2,957	-	-	-	3,507
Deferred revenues	-	32,396	-	-	100	32,496
Total liabilities	22,543	133,124	-	-	600	156,267
<b>FUND BALANCES (DEFICIT)</b>						
Nonspendable	2,227	-	-	-	-	2,227
Restricted	-	2,116	88,158	7,715	48,192	146,181
Assigned	40,659	-	-	-	-	40,659
Unassigned	607,999	(30,595)	-	-	-	577,404
Total fund balances (deficit)	650,885	(28,479)	88,158	7,715	48,192	766,471
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 673,428</b>	<b>\$ 104,645</b>	<b>\$ 88,158</b>	<b>\$ 7,715</b>	<b>\$ 48,792</b>	<b>\$ 922,738</b>

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

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2012**

**EXHIBIT D**

Total fund balances - governmental funds	\$ 766,471
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
<p style="padding-left: 40px;">Because some revenues will not be collected for several months after the Regional Office fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.</p>	
System of Support	32,319
State Free Lunch and Breakfast	77
General Educational Development	100
	32,496
Net assets of governmental activities	\$ 798,967

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

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

**EXHIBIT E**

	<b>General Fund</b>	<b>Education Fund</b>	<b>Institute Fund</b>	<b>Fairmount Minerals Grants</b>	<b>Nonmajor Special Revenue Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>						
Federal sources	\$ -	\$ 210,477	\$ -	\$ -	\$ -	\$ 210,477
State sources	241,099	338,248	-	-	1,191	580,538
Local sources						
Fees for services	106,385	7,778	27,529	30,000	15,933	187,625
Interest	10,362	1	564	6	306	11,239
On-behalf payments	-	607,850	-	-	-	607,850
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	357,846	1,164,354	28,093	30,006	17,430	1,597,729
<b>EXPENDITURES</b>						
Instructional services:						
Salaries	231,235	335,184	14,254	-	5,183	585,856
Benefits	53,227	59,337	2,049	-	919	115,532
Purchased services	51,708	173,417	6,389	-	5,693	237,207
Supplies and materials	7,548	8,295	1,065	19,664	3,005	39,577
Miscellaneous	5,674	1,132	-	-	175	6,981
Payments to other governmental units	12,151	22,624	-	2,627	-	37,402
On-behalf payments	-	607,850	-	-	-	607,850
Capital expenditures	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	361,543	1,207,839	23,757	22,291	14,975	1,630,405
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,697)	(43,485)	4,336	7,715	2,455	(32,676)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in (out)	(13,490)	107,907	-	-	-	94,417
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	(17,187)	64,422	4,336	7,715	2,455	61,741
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	668,072	(92,901)	83,822	-	45,737	704,730
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 650,885</u>	<u>\$ (28,479)</u>	<u>\$ 88,158</u>	<u>\$ 7,715</u>	<u>\$ 48,192</u>	<u>\$ 766,471</u>

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



**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

**EXHIBIT F**

Net change in fund balances		\$	61,741
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>			
<p>Because some revenues will not be collected for several months after the Regional Office fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.</p>			
System of Support	32,319		
State Free Lunch & Breakfast	77		
General Educational Development	<u>100</u>		
			32,496
<p>Because some prior year revenues were not collected for several months after the Regional Office prior fiscal year ended, they were not considered "available" revenues and were previously deferred in the governmental funds.</p>			
ROE/ISC Operations	(18,602)		
Regional Safe Schools	(16,018)		
Truants Alternative Programs	(13,501)		
Learning Technology Center	(7,795)		
Beginning Teachers Induction Pilot Program	(27,977)		
System of Support	(15,529)		
Principal Mentoring	(1,500)		
General Educational Development	<u>(140)</u>		
			<u>(101,062)</u>
Change in net assets of governmental activities		\$	<u>(6,825)</u>

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

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2012**

**EXHIBIT G**

	<b>Business Type Activities - Enterprise Funds</b>				<b>Total</b>
	<b>LaSalle County Area Purchasing Coop.</b>	<b>Discovery United Streaming Coop.</b>	<b>Nonmajor Proprietary Funds</b>		
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 155,124	\$ 14,090	\$ 3,639	\$ 47,072	\$ 219,925
Investments	-	25,798	-	24,317	50,115
Accounts receivable/Interest receivable	-	3	-	668	671
Prepaid expenses	187	-	4,267	-	4,454
Due from other governmental units	4,320	-	-	-	4,320
<b>TOTAL ASSETS</b>	<b>159,631</b>	<b>39,891</b>	<b>7,906</b>	<b>72,057</b>	<b>279,485</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued expenses	218	-	-	255	473
Deferred revenues	150	10,312	5,618	-	16,080
<b>TOTAL LIABILITIES</b>	<b>368</b>	<b>10,312</b>	<b>5,618</b>	<b>255</b>	<b>16,553</b>
<b>NET ASSETS</b>					
Unrestricted	\$ 159,263	\$ 29,579	\$ 2,288	\$ 71,802	\$ 262,932

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

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2012**

**EXHIBIT H**

	<b>Business Type Activities - Enterprise Funds</b>				<b>Total</b>
	<b>LaSalle County Area Purchasing Coop.</b>	<b>Discovery United Streaming Coop.</b>	<b>Nonmajor Proprietary Funds</b>		
<b>OPERATING REVENUES</b>					
Local sources	\$ 114,010	\$ 29,940	\$ 37,792	\$ 75,162	\$ 256,904
<b>OPERATING EXPENSES</b>					
Salaries	3,421	22,063	3,025	2,625	31,134
Benefits	682	4,206	575	201	5,664
Purchased services	84,541	854	41,471	33,068	159,934
Supplies and materials	5,158	-	-	11,542	16,700
Miscellaneous	827	3,148	-	165	4,140
Payments to other governmental units	2,066	-	-	3,920	5,986
Total operating expenses	96,695	30,271	45,071	51,521	223,558
<b>OPERATING INCOME (LOSS)</b>	17,315	(331)	(7,279)	23,641	33,346
<b>NONOPERATING REVENUES</b>					
Interest	164	141	-	219	524
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	17,479	(190)	(7,279)	23,860	33,870
<b>OPERATING TRANSFERS</b>					
Transfers in	66,199	-	5,630	-	71,829
Transfers out	(107,907)	-	-	(58,339)	(166,246)
Operating transfers, net	(41,708)	-	5,630	(58,339)	(94,417)
<b>CHANGE IN NET ASSETS</b>	(24,229)	(190)	(1,649)	(34,479)	(60,547)
<b>TOTAL NET ASSETS, BEGINNING OF YEAR</b>	183,492	29,769	3,937	106,281	323,479
<b>TOTAL NET ASSETS, END OF YEAR</b>	\$ 159,263	\$ 29,579	\$ 2,288	\$ 71,802	\$ 262,932

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

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT I

	Business Type Activities - Enterprise Funds				Total
	LaSalle County Area Purchasing Workshop Coop.	Discovery United Streaming Coop.	Nonmajor Proprietary Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts for workshops and services	\$ 112,912	\$ 33,437	\$ 32,745	\$ 74,244	\$ 253,338
Payments to employees	(3,421)	(22,063)	(3,025)	(2,625)	(31,134)
Payments to suppliers	(93,578)	(8,208)	(45,565)	(48,999)	(196,350)
Net cash provided by (used in) operating activities	15,913	3,166	(15,845)	22,620	25,854
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:</b>					
Transfers in	66,199	-	5,630	-	71,829
Transfers out	(107,907)	-	-	(58,339)	(166,246)
Net cash provided by (used in) non capital financing activities	(41,708)	-	5,630	(58,339)	(94,417)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Proceeds from (Purchases of) Investments, net	-	2,865	-	(202)	2,663
Interest	164	141	-	219	524
Net cash provided by investment activities	164	3,006	-	17	3,187
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(25,631)	6,172	(10,215)	(35,702)	(65,376)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	180,755	7,918	13,854	82,774	285,301
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 155,124	\$ 14,090	\$ 3,639	\$ 47,072	\$ 219,925
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 17,315	\$ (331)	\$ (7,279)	\$ 23,641	\$ 33,346
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Effects of changes in assets and liabilities:					
Accounts receivable	-	6	-	(273)	(267)
Prepaid Expenses	8	-	(3,519)	-	(3,511)
Due from other governmental units	(648)	-	-	255	(393)
Accounts payable and accrued expenses	(312)	-	-	(103)	(415)
Deferred revenues	(450)	3,491	(5,047)	(900)	(2,906)
Net cash provided by (used in) operating activities	\$ 15,913	\$ 3,166	\$ (15,845)	\$ 22,620	\$ 25,854

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

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2012**

**EXHIBIT J**

**ASSETS**

Cash and cash equivalents	<u>\$</u> <u>13</u>
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**LIABILITIES**

Due to other governmental units	<u>\$</u> <u>13</u>
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*The notes to the financial statements are an integral part of this statement.*

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

The LaSalle County Regional Office of Education No. 35 (ROE) operates under the School Code (105 ILCS 5/3 and 5/3A). The ROE encompasses LaSalle County, Illinois. A Regional Superintendent of Schools serves as Chief Administrative Officer of the region and is elected to the position for a four year term pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The Regional Superintendent is responsible for the supervision and control of the school districts. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general State aid, State categorical grants, and various other sources.

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

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

A. Reporting Entity

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

Blended Component Units

A component unit is an entity which is legally separate from the ROE, but is so intertwined with the ROE that it is, in substance, the same as the ROE. It is reported as part of the ROE and blended into the appropriate funds.

On July 1, 1998, the ROE entered into an Intergovernmental Agreement executed pursuant to the provisions of the Intergovernmental Cooperation Clause of the Illinois Constitution as well as the provisions of the Intergovernmental Cooperation Act of 1973 and the Illinois Admin. Code 525.110 to form an educational service delivery system. The name of the

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

educational service delivery system formed is known as the LaSalle County - Putnam, Marshall, Woodford Counties Service Delivery System. The Service Delivery System is responsible for the administration and performance of accounting procedures that conform to all applicable rules and regulations of the Illinois State Board of Education. The ROE was designated as Administrative Agent and Director.

The following grants to the ROE and Marshall-Putnam-Woodford Counties Regional Office of Education No. 43 were assigned to the LaSalle, Marshall, Putnam, and Woodford Counties Service Delivery System: Truants Alternative Program, Learning Technology Center, ARRA Technology Enhancing Education, and Beginning Teachers Induction Pilot Program. These grants are reported as Special Revenue Funds.

The ROE is not aware of any entity which would exercise such oversight as to result in the Regional Office being considered a component unit of the entity.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the ROE that are governmental in nature and those that are considered business-type activities. *Governmental activities* normally are supported by operating grants and contributions, charges for services and intergovernmental revenues. *Business-type activities* normally are supported by operating revenues which include amounts assessed or received from local sources for the ROE programs.

The Statement of Net Assets presents the ROE's nonfiduciary assets and liabilities with the differences reported as net assets. Net assets of the ROE are classified as follows:

*Invested in Capital Assets* - represent the ROE's total investment in capital assets less related depreciation. There is no outstanding debt related to these assets at this time.

*Restricted Net Assets* - represent net resources in which the ROE is legally obligated to spend in accordance with restrictions imposed by (1) external groups such as grantors or contributors; or (2) laws through constitutional provisions or enabling legislation.

*Unrestricted Net Assets* - represent remaining net resources not classified as *Restricted Net Assets* or *Invested in Capital Assets* and are used for transactions relating to the general operations of the ROE at the discretion of management.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

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

C. New Accounting Pronouncement

Effective July 1, 2011, the ROE adopted the following accounting pronouncements:

- Governmental Accounting Standards Board (GASB) Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans*
- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*

GASB Statements No. 57 and 64 had no significant impact on the ROE's financial statements.

On July 1, 2012, the ROE adopted GASB Statements No. 60, No. 61, and No. 63. These statements will result in some presentation changes but should have little accounting impact on the ROE. On July 1, 2013, the ROE will adopt GASB Statements No. 65 and No. 66. The ROE has not yet evaluated the impact of these statements on its financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the ROE are prepared in accordance with generally accepted accounting principles (GAAP). The ROE applies all applicable GASB pronouncements.

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



**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The ROE considers revenues as available if they are collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two types of these revenues. In one, monies must be expended before any amounts will be reimbursed; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time that all eligibility requirements imposed by the provider have been met unless the resources are not measurable or available as described above.

When restricted, committed, assigned and unassigned resources are available for use, it is the ROE’s policy to use restricted resources first, then committed, assigned and finally unassigned resources as they are needed.

The ROE records on-behalf payments made by the State and LaSalle County for salary, benefits and contributions to the Teachers’ Retirement System or the Illinois Municipal Retirement Fund as revenues and expenditures.

**E. Fund Accounting**

The accounts of the ROE are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. The ROE maintains individual funds as required by the State of Illinois. The resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following summarizes the fund types used:

**Governmental Fund Types**

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

**General Fund** - The General Fund is used to account for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted and reported for in another fund. The General Fund is always considered a major fund. The following accounts are included in the General Fund:

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

General - to account for the general operating fund. It has been used to record expenditures in connection with general administration activities.

RSSP Student - to account for monies received for assistance in funding shortfalls for student activities.

Principal Mentoring - to account for monies from the Illinois Principals Association for expenditures incurred to ensure that every new principal in the region receives high-quality mentoring experience from trained mentors.

Title II - Teacher Quality (from schools) - to account for the administration of monies from various local schools to be used for the Title II – Teacher Quality programs.

Hazard Safety Reimbursement - to account for monies from the State of Illinois for expenditures incurred in the Hazard Safety program.

General State Aid - to account for grant monies received for, and payment of expenditures for regional learning academy supplements.

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. The ROE reported the following special revenue funds as major governmental funds.

Education - to account for State and Federal grant monies received for, and payment of, administering numerous grant awards which include:

McKinney Education for Homeless Children - to account for grant monies received for and payment of expenditures associated with a Federal program designed to provide counseling and educational support to homeless children and their families. The programs are funded by a Federal Stewart B. McKinney Education for Homeless Children and Youth Grant administered through the Illinois State Board of Education.

Regional Safe Schools - this fund is an alternative schooling program for disruptive youth, creating alternative placement for those students who are suspended and/or are deemed ineligible.

Truants Alternative Programs - to account for grant monies received for, and payment of, providing truancy prevention programming and monitoring truants.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

ROE/ISC Operations - to account for grant monies received for, and payment of, assisting schools in all areas of school improvement.

WIA Youth Activities - to account for grant monies received for, and payment of, a dropout recovery program to help low income youth, between the ages of 14 and 21, acquire the educational and occupational skills, training, and support needed to achieve academic and employment success and successfully transition to careers and productive adulthood.

Learning Technology Center - to account for monies from the State of Illinois for expenditures incurred to establish a statewide support system for learning technology.

Beginning Teachers Induction Pilot Program - to account for monies provided by the State for support services efforts to mentor, professionally develop and assess teaching practice for beginning teachers.

ARRA – Technology Enhancing Education - to account for monies provided by the Federal Government as part of the American Recovery and Reinvestment Act (ARRA) of 2009 intended to improve student academic achievement through the use of technology in schools. It is also designed to ensure that every student is technologically literate by the end of eighth grade and to encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods.

ARRA – Education Jobs Fund Program - to account for monies provided by the Federal Government for the intended purpose of all the ARRA funds to save and create jobs, as well as to improve education through four key education reform areas:

Making progress toward rigorous college- and career-ready standards and high quality assessments that are valid and reliable for all students, including English Language learners and students with disabilities;

Establishing Pre-K to college and career data systems that track progress and foster continuous improvement;

Making improvements in teacher effectiveness and the equitable distribution of qualified teachers for all students, particularly students who are most in need; and

Providing intense support and effective interventions for the lowest-performing schools.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

System of Support - (Title I - School Improvement and Accountability) - to account for grant monies received for, and payment of, expenditures to help schools meet the No Child Left Behind initiative.

National School Breakfast Program - to account for funds received for, and payment of, expenditures of the program for the school breakfast fund.

National School Lunch Program - to account for the grant monies received for, and payment of, expenditures for the National School Lunch fund.

State Free Lunch & Breakfast Program - to account for the proceeds received and expended in the operations of the free lunch and breakfast program.

Breakfast Incentive - to account for monies provided by the State for the goal of increasing participation in school breakfast programs.

Teacher Quality – To account for monies provided by the Federal government for preparation, certification, licensure, compensation and effectiveness of teachers across the elementary, secondary and special education spectra.

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

Fairmount Minerals Grants – To account for funds received from Fairmount Minerals for the purchase of iPads and various iPad applications and to promote instructional innovation in LaSalle County Schools.

Nonmajor Special Revenue Funds - The ROE reported the following special revenue funds as nonmajor governmental funds:

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

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

Annexation and Sales Petition - to account for fees collected for expenditures incurred in publishing and filing petition requests.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Proprietary Fund Types

Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. All assets, liabilities, net assets, revenues, expenses, and transfers relating to the government's business activities in which changes in net assets or cost recovery are measured, are accounted for through proprietary funds (enterprise and internal service funds). Generally accepted accounting principles for proprietary funds are similar to those applicable to businesses in the private sector; the measurement focus is on determining operating income, financial position, and cash flows.

Enterprise Funds - to account for resources from fees charged directly to those entities or individuals that use its services. The ROE reported the following enterprise funds as major proprietary funds.

Workshop - to account for local revenues and disbursements related to various workshops conducted by the ROE which are not accounted for in a separate fund.

LaSalle County Area Purchasing Coop - to account for maintenance of cooperative purchasing program for the benefit of the ROE's various school districts and other surrounding counties' school districts.

Discovery United Streaming Coop. - to account for local revenues received for the digital video-on-demand service by Discovery Education and Learn 360.

Nonmajor Proprietary Funds - The ROE reported the following enterprise funds as nonmajor proprietary funds:

Regional Safe School Meals - to account for local revenues and disbursements for the children whose parents can afford to pay either a full or reduced cost of meals.

American College Testing (ACT) Student Fees - to account for the fees and local revenues received and related disbursements for the ACT program which is designed to assess high school students' general educational development and their ability to complete college-level work.

Excellence in Education - to account for the fees and local revenues received and related disbursements while performing activities related to the Excellence in Education program.

Technology Local Fees - to account for revenues and expenses of Technology funds.

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

Administrator's Academy - to account for the fees and local revenues and related expenses while performing activities for the Administrator's Academy. (This fund was dissolved during the fiscal year.)

ParaPro – to account for the fees and local revenues received and related disbursements for testing the proficiency of prospective teacher aids.

School Improvement Plan - LaSalle County – to account for funds received for and payment of expenditures linked to school improvement activities for LaSalle County Schools including but not limited to curriculum, instruction and assessment.

Technology Integration – LaSalle County – to account for funds received for and payment of expenditures linked to technology integration activities for LaSalle County schools including but not limited to new instructional technologies, technological infrastructure improvements, technology purchasing and collaboration technologies.

RSSP Student Activities – to account for funds received for and payment of expenditures to assist with an incentive program for RSSP students through fund raising activities.

Criminal Background Investigation - to account for the assessments received from the school districts to pay for the processing of background checks of substitute teachers and expenditures incurred providing this service to the school districts.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the ROE in a trustee capacity or as an agent for individuals, private organizations, and/or other governments.

Agency Funds are custodial in nature and do not involve measurement of results of operations. The amounts due to school districts and due to other governments are equal to the assets. Agency Funds include Distributive, Payroll and Marshall/Putnam/Woodford ROE No. 43's Teacher Quality Grant and ROE/ISC Operations Grant.

Distributive - to account for funds received and disbursed as a result of the Regional Superintendent's responsibility to receive and distribute to treasurers of school districts and other agencies, monies due to them from general State aid, State categorical grants, and various other sources.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Payroll - to account for all payroll that is incurred. Any fund that has payroll remits the money to the Payroll Fund, the Fund then pays the employee. This is an administrating agent for the ROE's payroll.

MPW's - Teacher Quality Grant - to account for funds received and disbursed on behalf of ROE No. 43 for this particular grant program.

MPW's ROE/ISC Operations Grant - to account for funds received and disbursed on behalf of ROE No. 43 for this particular grant program.

F. 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 Schedules 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 nonspendable fund balance reported is for prepaid expenses from General and General State Aid (in the General Fund).

Restricted Fund Balance - the portion of the Governmental Fund's net assets that are subject to external enforceable legal restrictions. The following accounts fund balances are restricted by grant agreements, or contracts: Fairmont Minerals Grants, National School Breakfast Program, National School Lunch Program, and State Free Lunch & Breakfast Program. The following accounts fund balances are restricted by Illinois statute: Institute, General Educational Development, School Bus Driver Training, and Annexation and Sales Petition.

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 ROE has no committed fund balances.

Assigned Fund Balance - the portion of a Governmental Fund's net assets denoted for an intended use of the resources. The accounts with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts fund balances were assigned: RSSP Student and Title II - Teacher Quality (from Schools).

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The accounts with unassigned fund balances are: General, General State Aid, and System of Support.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

G. Revenues - Exchange and Non-exchange Transactions

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

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

H. Cash and Cash Equivalents

For presentation in the financial statements, investments with an original maturity of three months or less at the time they are purchased by the ROE are considered to be cash equivalents. Investments with original maturities of more than three months are reported as investments.

I. Investments

The ROE's established investment policy follows the State of Illinois Public Funds Investment Act which authorizes the ROE to purchase certain obligations of the U.S. Treasury, Federal agencies and instrumentalities; certificates of deposit and time deposits covered by Federal depository insurance; commercial paper of U.S. corporations with assets exceeding \$500,000,000, if such paper is rated at the highest classification established by at least two standard rating services; money market funds and the Illinois Funds.

J. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements.

Capital assets are recorded at cost at time of acquisition or fair value at the date of donation. The ROE capitalizes items costing \$5,000 or more and intangible assets costing \$25,000 or more. Depreciation is calculated on a straight-line basis over the estimated useful lives (five to twenty years) of the respective assets.



**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

K. 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 in the financial statements. Actual results could differ from those estimates.

L. Budgets and Budgetary Accounting

The ROE did not formally adopt a budget for the year ended June 30, 2012 and is not legally required to do so. The Illinois State Board of Education requires budgets for certain State and Federal programs. These budgets were used to prepare Budgetary Comparison Schedules for the following accounts within the Education Fund: McKinney Education for Homeless Children, Regional Safe Schools, Truants Alternative Programs, ROE/ISC Operations, Learning Technology Center, Beginning Teachers Induction Pilot Program, ARRA – Technology Enhancing Education, and Teacher Quality.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

In the accompanying financial statements, certificates of deposit are reported as investments because the original maturities of the certificates exceed 90 days. For risk disclosure purposes, those certificates are deposits. The money market accounts described below are reported as cash equivalents in the accompanying financial statements. For risk disclosure purposes, the money market accounts are investments.

Deposits

The ROE utilizes several different bank accounts for its various activities. The book balance of such accounts is \$997,593 at June 30, 2012, while the bank balance was \$1,029,719. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2012. Of the total bank balance as of June 30, 2012, \$808,493 was insured by Federal depository insurance, \$221,226 was collateralized by securities pledged by the ROE's financial institution that were held by the financial institution's agent but not in the name of the ROE.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
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**NOTE 2 - DEPOSITS AND INVESTMENTS** (continued)

Investments

As of June 30, 2012, the ROE had investments with carrying and fair values as follows:

Investment Type	Carrying Amount	Fair Value
Illinois Funds Money Market	\$ 9,028	\$ 9,028
	\$ 9,028	\$ 9,028

*Credit Risk*

At June 30, 2012, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investments Act, 30 ILCS 235.

*Interest Rate Risk*

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

**NOTE 3 - CAPITAL ASSETS**

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

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
Equipment	\$ 20,966	\$ -	\$ -	\$ 20,966
Less: accumulated depreciation	20,966	-	-	20,966
Capital assets, net	\$ -	\$ -	\$ -	\$ -

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
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**NOTE 4 - DUE FROM (TO) OTHER GOVERNMENTAL UNITS**

The ROE's Governmental, Proprietary, and Fiduciary Funds have funds due from/to the following government agencies:

**DUE FROM OTHER GOVERNMENTAL UNITS**

Boone/Winnebago Counties Regional Office of Education No. 4	\$ 35,028	
Lee-Ogle Regional Office of ED No. 47	9,962	
Illinois State Board of Education	57,054	
Local school districts	9,286	
State of Illinois	100	
Total	\$ 111,430	

**DUE TO OTHER GOVERNMENTAL UNITS**

Local school districts	\$ 3,520	
Total	\$ 3,520	

**NOTE 5 - INTERFUND TRANSACTIONS**

**(a) Transfers From/To Other Funds**

The composition of interfund transfers for the year ended June 30, 2012 is as follows:

Fund	Transfers-in	Transfers-out
Education Fund – ROE/ISC Operations	\$ 107,907	\$ -
General Fund - Title II Teacher Quality (from Schools)	-	13,490
Proprietary Funds – Discovery United Streaming Coop.	5,630	-
Proprietary Funds – Workshop	66,199	107,907
Proprietary Funds – Administrator's Academy	-	58,339
Total	\$ 179,736	\$ 179,736

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
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**NOTE 5 - INTERFUND TRANSACTIONS** (continued)

**(b) Due From/To Other Funds**

The following is a summary of amounts due from/to other funds as of June 30, 2012:

Fund	Due From	Due To
Education Fund - McKinney Education for the Homeless Children	\$ -	\$ 9,962
Education Fund - Regional Safe Schools	-	23,839
Education Fund - Truants Alternative Programs	-	21,725
Education Fund - Learning Technology Center	-	10,469
Education Fund - ARRA – Education Jobs Funds Program	-	365
Education Fund - System of Support	-	5,964
General Fund - RSSP Student	-	3,333
Education Fund - Teacher Quality	-	384
General Fund - General State Aid	76,041	-
Total	<u>\$ 76,041</u>	<u>\$ 76,041</u>

These interfund loans were necessitated by the State or schools not timely paying their obligations to the ROE (or other entities which in turn paid the ROE). Each of these interfund loans were repaid by the end of September 2012.

**NOTE 6 - RETIREMENT PLANS**

The ROE’s employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by the ROE through grant monies on behalf of the ROE staff employees and grant coordinators. Employees paid by LaSalle County also participate in the Illinois Municipal Retirement Fund and those contributions are paid by LaSalle County. Participation is required for all ROE employees who:

- a. Occupy a job normally requiring 1,000 hours or more per year or 600 hours or more per year for employees who worked for any IMRF employer prior to January 1, 1982;
- b. Are paid on a regular payroll from County or ROE funds;
- c. Were under age sixty when first entering employment; and
- d. Are not covered by another State created retirement system for the same service.

Employees not qualifying above are considered as “nonparticipating employees” and are covered under Social Security.

The Regional Superintendent and Assistant Regional Superintendent of the ROE are paid by the State of Illinois and participate in the Teachers Retirement System.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 - RETIREMENT PLANS** (continued)

**Illinois Municipal Retirement Fund**

**Plan Description**

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

**Funding Policy**

As set by statute, the ROE's Regular plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 was 11.80%. The ROE also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost**

The required contribution for calendar year 2011 was \$37,793.

**THREE - YEAR TREND INFORMATION**

<b>Calendar Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/11	\$ 37,793	100%	\$ -
12/31/10	\$ 40,831	100%	-
12/31/09	\$ 27,896	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.50% 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 ROE'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 ROE'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.

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**NOTE 6 - RETIREMENT PLANS** (continued)

**Funded Status and Funding Progress**

As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 87.43 percent funded. The actuarial accrued liability for benefits was \$751,045 and the actuarial value of assets was \$656,664 resulting in an underfunded actuarial accrued liability (UAAL) of \$94,381. The covered payroll for the calendar year 2011 (annual payroll of active employees covered by the plan) was \$320,281 and the ratio of the UAAL to the covered payroll was 29 percent.

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

**Teachers' Retirement System of the State of Illinois**

The ROE participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by 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.

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

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

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 - RETIREMENT PLANS** (continued)

- **On-behalf Contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the ROE. For the year ended June 30, 2012, the State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the ROE recognized revenue and expenditures of \$56,783 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent (\$53,666) and 23.38 percent (\$59,524) respectively.

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

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2012 were \$1,322. Contributions for the years ended June 30, 2011, and June 30, 2010, were \$1,439 and \$1,500 respectively.
- **Federal and Special Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the ROE, there is a statutory requirement for the ROE to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS.

For the year ended June 30, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2011 and 2010, the employer contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$0 were paid from federal and special trust funds that required employer contributions of \$0. For the years ended June 30, 2011 and June 30, 2010, required ROE contributions were \$3,640 and \$952, respectively.

- **Early Retirement Option (ERO).** The ROE is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

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

For the year ended June 30, 2012, the ROE paid \$0 to TRS for employer contributions under the ERO programs. For the years ended June 30, 2011 and 2010, the ROE paid \$0 in employer ERO contributions.

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**NOTE 6 - RETIREMENT PLANS** (continued)

- **Salary Increases Over 6 Percent and Excess Sick Leave.**

- If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2012, the ROE paid \$2,386 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2011 and June 30, 2010, the ROE did not have any payments to TRS for employer contributions due on salary increases in excess of 6 percent.

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

For the year ended June 30, 2012, the ROE paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2011 and June 30, 2010, the ROE did not have any payments to TRS for sick leave days granted in excess of the normal annual allotment.

TRS financial information, an explanation of TRS' benefits, and descriptions of member, employer and State funding requirements can be found in the TRS Comprehensive Annual Financial Report for the year ended June 30, 2011. The report for the year ended June 30, 2012 is expected to be available in late 2012.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, PO Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS web site at <http://trs.illinois.gov>.

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS**

- **Plan Description**

In addition to providing the pension benefits described, the ROE provides postemployment health care benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the ROE and can be amended by the ROE through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes. The plan is not accounted for as a trust



**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
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**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS** (continued)

fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the ROE governmental funds.

- **Benefits Provided**

The ROE provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with the Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the ROE retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the ROE's insurance provider.

- **Membership**

At July 1, 2011 membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	-
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	2
TOTAL	2
Participating Employers	1

- **Funding Policy**

The ROE is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement. Retirees are responsible for paying their own premiums.

- **Annual OPEB Costs and Net OPEB Obligation**

The ROE first had an actuarial valuation performed for the plan as of July 1, 2009 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2010. The ROE's annual OPEB cost (expense) \$1,150 is \$4 more than the ARC for the fiscal year. The ROE's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2012 were as follows (information for the year ending June 30, 2009 is not available as an actuarial valuation was performed for the first time as of July 1, 2009):

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**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS** (continued)

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 1,150	\$ 142	12%	\$ 2,998
June 30, 2011	\$ 1,077	\$ 71	7%	\$ 1,990
June 30, 2010	\$ 1,008	\$ 24	2%	\$ 984

The net OPEB obligation as of July 1, 2011, was calculated as follows:

Annual Required Contribution	\$ 1,146
Interest on Net OPEB Obligation	80
Adjustment to Annual Required Contribution	(76)
	1,150
Annual OPEB Cost	1,150
Contributions Made	142
	1,008
Increase in Net OPEB Obligation	1,008
Net OPEB Obligation Beginning of Year	1,990
	2,998
Net OPEB Obligation at End of Year	\$ 2,998

- **Funded Status and Funding Progress.**

The funded status of the plan as of July 1, 2011 was as follows:

Actuarial Accrued Liability (AAL)	\$ 9,980
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	9,980
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll (Active Plan Members)	90,548
UAAL as a Percentage of Covered Payroll	11.02%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS** (continued)

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009, actuarial valuation, the unit credit cost method was used. The actuarial assumptions included a discount rate of 4.00% and an initial healthcare cost trend rate of 11.00% with an ultimate healthcare inflation rate of 5.00% increase for 2019 and later years. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the ROE has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized using a closed, level dollar method. The remaining amortization period at July 1, 2009 was 30 years.

**Teacher Health Insurance Security Fund**

The ROE also 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 percent of the percentage of salary actually required to be paid in the previous fiscal year.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS** (continued)

- **On behalf contributions to THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the ROE. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$2,006, and the ROE recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2011 and June 30, 2010 were 0.88 percent and 0.84 percent of pay, respectively. State contributions on behalf of ROE's employees were \$2,183 and \$2,173, respectively.

**Employer contributions to THIS Fund**

The ROE also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66 percent during the years ended June 30, 2012 and June 30, 2011, and 0.63 percent during the year ended June 30, 2010. For the year ended June 30, 2012, the ROE paid \$1,504 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the ROE paid \$1,637 and \$1,630 to the THIS Fund, respectively, which was 100 percent of the required contributions.

**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.

**NOTE 8 - COMMON BANK ACCOUNT**

The ROE maintains several bank accounts. The various funds of the ROE are comingled in these accounts but accounted for in separate funds.

**NOTE 9 - INTEREST ON DISTRIBUTIVE FUND**

Interest earned on distributive fund receipts is transferred after the end of each fiscal year to the General Fund by the written consent of all affected school boards and other entities. The funds are utilized by the Regional Superintendent to purchase computer equipment, develop in-service activities and other innovative programs, as well as assist with the necessary operating expenses of the ROE office.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 10 – ON-BEHALF PAYMENTS FOR SALARIES AND BENEFITS**

The salaries and benefits of the Superintendent and Assistant Superintendent of the ROE are paid for by the State of Illinois. Teachers Retirement System (TRS) contributions for the Superintendent, Assistant Superintendent, and qualifying employees of the ROE are paid by the State of Illinois, in accordance with applicable State of Illinois Law. Teachers Health Insurance Security (THIS) contributions for qualifying employees are paid by the State of Illinois, in accordance with applicable State of Illinois Law. Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent were calculated based on data provided by the Illinois State Board of Education.

The breakdown of the State of Illinois on-behalf payments is as follows:

Regional Superintendent salary	\$ 104,616
Regional Superintendent benefits (includes State paid insurance)	20,468
Assistant Regional Superintendent salary	94,152
Assistant Regional Superintendent benefits (includes State paid insurance)	19,834
TRS & THIS contributions	<u>108,302</u>
Total on-behalf payments by the State of Illinois	<u><u>\$ 347,372</u></u>

One coordinator and six teachers' salaries and benefits were paid by the ROE. The State made contributions of \$56,783 to TRS on-behalf of those employees. The State also made contributions of \$2,006 to THIS on-behalf of those employees. Those amounts have been included above as "TRS & THIS contributions".

Salaries and benefits of six ROE employees are paid for by LaSalle County. There are three Truant Officers and three clerical personnel.

The breakdown of the LaSalle County on-behalf payments is as follows:

Truant Officer salaries	\$ 70,687
Truant Officer benefits	24,935
Clerical salaries	112,409
Clerical benefits	<u>52,447</u>
Total on-behalf payments	<u><u>\$ 260,478</u></u>

Salary and benefit data for the Truant Officers and the clerical staff were calculated based on data provided by LaSalle County Board.

**NOTE 11 – NEGATIVE FUND BALANCES**

The negative fund balance in System of Support will be resolved when Boone/Winnebego Regional Office of Education No. 4 pays their contracted amount to the ROE. This deficit was the result of revenue that was deferred due to failure to meet the availability criteria.

**REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS)**

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2012**

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

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/11	\$ 656,664	\$751,045	\$ 94,381	87.43%	\$320,281	29.47%
12/31/10	\$ 680,371	\$756,519	\$ 76,148	89.93%	\$347,496	21.91%
12/31/09	\$ 601,661	\$711,466	\$109,805	84.57%	\$353,119	31.10%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$632,931. On a market basis, the funded ratio would be 84.27%.

**OTHER POSTEMPLOYMENT BENEFITS  
SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
7/1/11	\$ -	\$ 9,980	\$ 9,980	0.00%	\$ 90,548	11.02%
7/1/10	\$ -	\$ 8,976	\$ 8,976	0.00%	\$ 97,676	9.20%
7/1/09	\$ -	\$ 6,985	\$ 6,985	0.00%	\$ 96,426	7.24%

**SUPPLEMENTARY INFORMATION**



LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
GENERAL FUND ACCOUNTS  
COMBINING SCHEDULE OF ACCOUNTS  
JUNE 30, 2012

SCHEDULE 1

	<u>General</u>	<u>RSSP Student</u>	<u>Principal Mentoring</u>	<u>Title II - Teacher Quality (from Schools)</u>	<u>Hazard Safety Reimbursement</u>	<u>General State Aid</u>	<u>Total</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 72,509	\$ -	\$ -	\$ 39,442	\$ -	\$ 248,112	\$ 360,063
Investments	230,168	-	-	-	-	-	230,168
Accounts receivable	16	-	-	-	-	13	29
Prepaid expenses	1,725	-	-	-	-	502	2,227
Due from other funds	-	-	-	-	-	76,041	76,041
Due from other governmental units	-	4,900	-	-	-	-	4,900
<b>TOTAL ASSETS</b>	<u>\$ 304,418</u>	<u>\$ 4,900</u>	<u>\$ -</u>	<u>\$ 39,442</u>	<u>\$ -</u>	<u>\$ 324,668</u>	<u>\$ 673,428</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,660	\$ 18,660
Due to other funds	-	3,333	-	-	-	-	3,333
Due to other governmental units	-	350	-	-	-	200	550
Total liabilities	<u>-</u>	<u>3,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,860</u>	<u>22,543</u>
<b>FUND BALANCES</b>							
Nonspendable	1,725	-	-	-	-	502	2,227
Assigned	-	1,217	-	39,442	-	-	40,659
Unassigned	302,693	-	-	-	-	305,306	607,999
Total Fund Balance	<u>304,418</u>	<u>1,217</u>	<u>-</u>	<u>39,442</u>	<u>-</u>	<u>305,808</u>	<u>650,885</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 304,418</u>	<u>\$ 4,900</u>	<u>\$ -</u>	<u>\$ 39,442</u>	<u>\$ -</u>	<u>\$ 324,668</u>	<u>\$ 673,428</u>

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
GENERAL FUND ACCOUNTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE 2

	General	RSSP Student	Principal Mentoring	Title II - Teacher Quality (from Schools)	Hazard Safety Reimbursement	General State Aid	Total
<b>REVENUES</b>							
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,099	\$ 241,099
Local sources							
Fees for services	9,866	62,825	1,500	32,155	-	39	106,385
Interest	9,264	3	2	30	1	1,062	10,362
Total revenues	19,130	62,828	1,502	32,185	1	242,200	357,846
<b>EXPENDITURES</b>							
Salaries	2,782	52,156	3,241	4,289	1,269	167,498	231,235
Benefits	530	10,055	480	930	194	41,038	53,227
Purchased services	7,224	-	891	873	-	42,720	51,708
Supplies and materials	1,124	-	92	-	-	6,332	7,548
Miscellaneous	2,094	-	-	-	-	3,580	5,674
Payments to other governmental units	6,000	-	-	4,443	-	1,708	12,151
Total expenditures	19,754	62,211	4,704	10,535	1,463	262,876	361,543
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(624)	617	(3,202)	21,650	(1,462)	(20,676)	(3,697)
<b>OTHER FINANCING USES</b>							
Transfers out	-	-	-	(13,490)	-	-	(13,490)
	-	-	-	(13,490)	-	-	(13,490)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	(624)	617	(3,202)	8,160	(1,462)	(20,676)	(17,187)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	305,042	600	3,202	31,282	1,462	326,484	668,072
<b>FUND BALANCES, END OF YEAR</b>	\$ 304,418	\$ 1,217	\$ -	\$ 39,442	\$ -	\$ 305,808	\$ 650,885

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 EDUCATION FUND ACCOUNTS  
 COMBINING SCHEDULE OF ACCOUNTS  
 JUNE 30, 2012

SCHEDULE 3

	McKinney Education for Homeless Children	Regional Safe Schools	Truants Alternative Programs	ROE/ISC Operations	WIA Youth Activities	Learning Technology Center	Beginning Teachers Induction Pilot Program
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 680	\$ -	\$ -	\$ -
Due from other governmental units	9,962	23,839	21,725	-	-	10,469	-
<b>TOTAL ASSETS</b>	<u>\$ 9,962</u>	<u>\$ 23,839</u>	<u>\$ 21,725</u>	<u>\$ 680</u>	<u>\$ -</u>	<u>\$ 10,469</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 680	\$ -	\$ -	\$ -
Due to other funds	9,962	23,839	21,725	-	-	10,469	-
Due to other governmental units	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-
Total liabilities	<u>9,962</u>	<u>23,839</u>	<u>21,725</u>	<u>680</u>	<u>-</u>	<u>10,469</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 9,962</u>	<u>\$ 23,839</u>	<u>\$ 21,725</u>	<u>\$ 680</u>	<u>\$ -</u>	<u>\$ 10,469</u>	<u>\$ -</u>

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 EDUCATION FUND ACCOUNTS  
 COMBINING SCHEDULE OF ACCOUNTS  
 JUNE 30, 2012

SCHEDULE 3  
 (CONTINUED)

	ARRA - Technology Enhancing Education	ARRA - Education Jobs Fund Program	System of Support	National School Breakfast Program	National School Lunch Program	State Free Lunch & Breakfast Program	Breakfast Incentive
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 290	\$ 1,631	\$ -	\$ -
Due from other governmental units	-	365	35,028	-	-	272	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 365</u>	<u>\$ 35,028</u>	<u>\$ 290</u>	<u>\$ 1,631</u>	<u>\$ 272</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ 24,383	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	365	5,964	-	-	-	-
Due to other governmental units	-	-	2,957	-	-	-	-
Deferred revenues	-	-	32,319	-	-	77	-
Total liabilities	<u>-</u>	<u>365</u>	<u>65,623</u>	<u>-</u>	<u>-</u>	<u>77</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	290	1,631	195	-
Unassigned	-	-	(30,595)	-	-	-	-
Total Fund Balances (Deficit)	<u>-</u>	<u>-</u>	<u>(30,595)</u>	<u>290</u>	<u>1,631</u>	<u>195</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 365</u>	<u>\$ 35,028</u>	<u>\$ 290</u>	<u>\$ 1,631</u>	<u>\$ 272</u>	<u>\$ -</u>

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 EDUCATION FUND ACCOUNTS  
 COMBINING SCHEDULE OF ACCOUNTS  
 JUNE 30, 2012**

**SCHEDULE 3  
 (CONTINUED)**

	<u>Teacher Quality</u>	<u>Total</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 2,601
Due from other governmental units	384	102,044
<b>TOTAL ASSETS</b>	<u>\$ 384</u>	<u>\$ 104,645</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ -	\$ 25,063
Due to other funds	384	72,708
Due to other governmental units	-	2,957
Deferred revenues	-	32,396
Total liabilities	<u>384</u>	<u>133,124</u>
<b>FUND BALANCES (DEFICIT)</b>		
Nonspendable	-	-
Restricted	-	2,116
Unassigned	-	(30,595)
Total Fund Balances (Deficit)	<u>-</u>	<u>(28,479)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 384</u>	<u>\$ 104,645</u>

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 EDUCATION FUND ACCOUNTS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE 4

	McKinney Education for Homeless Children	Regional Safe Schools	Truants Alternative Programs	ROE/ISC Operations	WIA - Youth Activities	Learning Technology Center	Beginning Teachers Induction Pilot Program
<b>REVENUES</b>							
Federal sources	\$ 28,671	\$ -	\$ -	\$ -	\$ 24,806	\$ -	\$ -
State sources	-	111,371	100,386	48,475	-	46,136	31,036
Local sources							
Fees for services	-	-	7,778	-	-	-	-
Interest	-	-	1	-	-	-	-
On-behalf payments	-	38,932	95,622	473,296	-	-	-
Total revenues	<u>28,671</u>	<u>150,303</u>	<u>203,787</u>	<u>521,771</u>	<u>24,806</u>	<u>46,136</u>	<u>31,036</u>
<b>EXPENDITURES</b>							
Salaries	7,884	72,966	67,120	94,197	24,264	15,249	2,851
Benefits	741	18,361	19,497	15,317	476	2,935	208
Purchased services	19,251	2,054	6,077	26,711	-	20,069	-
Supplies and materials	795	1,972	1,970	1,044	66	88	-
Miscellaneous	-	-	-	1,132	-	-	-
Payments to other governmental units	-	-	-	-	-	-	-
On-behalf payments	-	38,932	95,622	473,296	-	-	-
Total expenditures	<u>28,671</u>	<u>134,285</u>	<u>190,286</u>	<u>611,697</u>	<u>24,806</u>	<u>38,341</u>	<u>3,059</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	16,018	13,501	(89,926)	-	7,795	27,977
<b>OTHER FINANCING SOURCES</b>							
Transfers in	-	-	-	107,907	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>	-	16,018	13,501	17,981	-	7,795	27,977
<b>FUND BALANCES (DEFICIT) , BEGINNING OF YEAR</b>	-	(16,018)	(13,501)	(17,981)	-	(7,795)	(27,977)
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 EDUCATION FUND ACCOUNTS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE 4  
 (CONTINUED)

	ARRA Technology Enhancing Education	ARRA - Education Jobs Fund Program	System of Support	National School Breakfast Program	National School Lunch Program	State Free Lunch & Breakfast Program	Breakfast Incentive
<b>REVENUES</b>							
Federal sources	\$ 5,136	\$ 365	\$ 131,048	\$ 7,553	\$ 12,452	\$ -	\$ -
State sources	-	-	-	-	-	844	-
Local sources							
Fees for services	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-	-
Total revenues	<u>5,136</u>	<u>365</u>	<u>131,048</u>	<u>7,553</u>	<u>12,452</u>	<u>844</u>	<u>-</u>
<b>EXPENDITURES</b>							
Salaries	-	365	50,288	-	-	-	-
Benefits	-	-	1,802	-	-	-	-
Purchased services	4,689	-	74,628	7,358	11,262	858	14
Supplies and materials	447	-	1,913	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Payments to other governmental units	-	-	22,624	-	-	-	-
On-behalf payments	-	-	-	-	-	-	-
Total expenditures	<u>5,136</u>	<u>365</u>	<u>151,255</u>	<u>7,358</u>	<u>11,262</u>	<u>858</u>	<u>14</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(20,207)	195	1,190	(14)	(14)
<b>OTHER FINANCING SOURCES</b>							
Transfers in	-	-	-	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>	-	-	(20,207)	195	1,190	(14)	(14)
<b>FUND BALANCES (DEFICIT) , BEGINNING OF YEAR</b>	-	-	(10,388)	95	441	209	14
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,595)</u>	<u>\$ 290</u>	<u>\$ 1,631</u>	<u>\$ 195</u>	<u>\$ -</u>

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 EDUCATION FUND ACCOUNTS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE 4  
 (CONTINUED)**

	<u>Teacher Quality</u>	<u>Total</u>
<b>REVENUES</b>		
Federal sources	\$ 446	\$ 210,477
State sources	-	338,248
Local sources		
Fees for services	-	7,778
Interest	-	1
On-behalf payments	-	607,850
Total revenues	<u>446</u>	<u>1,164,354</u>
<b>EXPENDITURES</b>		
Salaries	-	335,184
Benefits	-	59,337
Purchased services	446	173,417
Supplies and materials	-	8,295
Miscellaneous	-	1,132
Payments to other governmental units	-	22,624
On-behalf payments	-	607,850
Total expenditures	<u>446</u>	<u>1,207,839</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER        (UNDER) EXPENDITURES</b>	-	(43,485)
<b>OTHER FINANCING SOURCES</b>		
Transfers in	-	107,907
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)        EXPENDITURES AND OTHER FINANCING SOURCES</b>	-	64,422
<b>FUND BALANCES (DEFICIT) , BEGINNING OF YEAR</b>	-	(92,901)
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ (28,479)</u>



LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 EDUCATION FUND ACCOUNTS  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE 5

	McKinney Education for Homeless Children			Regional Safe Schools - FY 12			Regional Safe Schools - FY 11 *		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)			Favorable (Unfavorable)
<b>REVENUE</b>									
Federal sources	\$ 28,671	\$ 28,671	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	95,353	95,353	-	96,109	16,018	(80,091)
Local sources									
Fees for services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
On-behalf payments	-	-	-	-	38,932	38,932	-	-	-
Total revenue	28,671	28,671	-	95,353	134,285	38,932	96,109	16,018	(80,091)
<b>EXPENDITURES</b>									
Salaries	7,884	7,884	-	72,373	72,966	(593)	74,033	-	74,033
Benefits	741	741	-	17,449	18,361	(912)	18,663	-	18,663
Purchased services	19,251	19,251	-	4,000	2,054	1,946	1,757	-	1,757
Supplies and materials	795	795	-	1,531	1,972	(441)	1,656	-	1,656
Capital outlay	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
On-behalf payments	-	-	-	-	38,932	(38,932)	-	-	-
Total expenditures	28,671	28,671	-	95,353	134,285	(38,932)	96,109	-	96,109
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>16,018</u>	<u>\$ 16,018</u>
<b>OTHER FINANCING SOURCES</b>									
Transfers in	-	-	-	-	-	-	-	-	-
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>								16,018	
<b>FUND DEFICIT, BEGINNING OF YEAR</b>								(16,018)	
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>-</u>		<u>\$ -</u>	<u>-</u>		<u>\$ -</u>	<u>-</u>	

\* See prior year financial statements for additional actual amounts that were reported in FY 11.

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 EDUCATION FUND ACCOUNTS  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE 5  
 (CONTINUED)

	Truants Alternative Programs - FY 12			Truants Alternative Program FY 11 *			ROE/ISC Operations FY 12		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)			Favorable (Unfavorable)
<b>REVENUE</b>									
Federal sources	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -
State sources	86,885	86,885	-	80,951	13,501	(67,450)	29,873	29,873	-
Local sources									
Fees for services	-	7,778	7,778	-	-	-	-	-	-
Interest	-	1	1	-	-	-	-	-	-
On-behalf payments	-	95,622	95,622	-	-	-	-	473,296	473,296
Total revenue	86,885	190,286	103,401	80,951	13,501	(67,450)	29,873	503,169	473,296
<b>EXPENDITURES</b>									
Salaries	55,098	67,120	(12,022)	63,133	-	63,133	21,000	93,576	(72,576)
Benefits	18,198	19,497	(1,299)	16,273	-	16,273	5,000	15,317	(10,317)
Purchased services	12,594	6,077	6,517	1,545	-	1,545	3,000	26,711	(23,711)
Supplies and materials	995	1,970	(975)	-	-	-	273	1,044	(771)
Capital outlay	-	-	-	-	-	-	500	-	500
Miscellaneous	-	-	-	-	-	-	100	1,132	(1,032)
On-behalf payments	-	95,622	(95,622)	-	-	-	-	473,296	(473,296)
Total expenditures	86,885	190,286	(103,401)	80,951	-	80,951	29,873	611,076	(581,203)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>13,501</u>	<u>13,501</u>	<u>\$ -</u>	<u>(107,907)</u>	<u>\$ (107,907)</u>
<b>OTHER FINANCING SOURCES</b>									
Transfers in		-			-			107,907	
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>		-			13,501			-	
<b>FUND DEFICIT, BEGINNING OF YEAR</b>					(13,501)			-	
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>			<u>\$ -</u>			<u>\$ -</u>		

\* See prior year financial statements for additional actual amounts that were reported in FY 11.

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 EDUCATION FUND ACCOUNTS  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE 5  
 (CONTINUED)

	ROE/ISC Operations FY 11 *			Learning Technology Center FY 12			Learning Technology Center FY 11 *		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)			Favorable (Unfavorable)
<b>REVENUE</b>									
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	111,621	18,602	(93,019)	38,341	38,341	-	42,841	7,795	(35,046)
Local sources									
Fees for services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-	-	-	-
Total revenue	111,621	18,602	(93,019)	38,341	38,341	-	42,841	7,795	(35,046)
<b>EXPENDITURES</b>									
Salaries	71,023	621	70,402	15,249	15,249	-	9,649	-	9,649
Benefits	14,309	-	14,309	2,935	2,935	-	1,846	-	1,846
Purchased services	24,138	-	24,138	19,800	20,069	(269)	26,040	-	26,040
Supplies and materials	1,373	-	1,373	357	88	269	276	-	276
Capital outlay	500	-	500	-	-	-	5,030	-	5,030
Miscellaneous	278	-	278	-	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-	-	-	-
Total expenditures	111,621	621	111,000	38,341	38,341	-	42,841	-	42,841
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>17,981</u>	<u>\$ 17,981</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>7,795</u>	<u>\$ 7,795</u>
<b>OTHER FINANCING SOURCES</b>									
Transfers in		-			-			-	
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>		17,981			-			7,795	
<b>FUND DEFICIT, BEGINNING OF YEAR</b>		(17,981)			-			(7,795)	
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>			<u>\$ -</u>			<u>\$ -</u>		

\* See prior year financial statements for additional actual amounts that were reported in FY 11.

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 EDUCATION FUND ACCOUNTS  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE 5  
 (CONTINUED)

	<u>Beginning Teachers Induction Pilot Program FY 11/12 *</u>			<u>ARRA - Technology - Enhancing Education</u>			<u>Teacher Quality</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
			<u>Favorable (Unfavorable)</u>			<u>Favorable (Unfavorable)</u>			<u>Favorable (Unfavorable)</u>
<b>REVENUE</b>									
Federal sources	\$ -	\$ -	\$ -	\$ 5,136	\$ 5,136	\$ -	\$ 446	\$ 446	\$ -
State sources	46,786	31,036	(15,750)	-	-	-	-	-	-
Local sources									
Fees for services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-	-	-	-
Total revenue	<u>46,786</u>	<u>31,036</u>	<u>(15,750)</u>	<u>5,136</u>	<u>5,136</u>	<u>-</u>	<u>446</u>	<u>446</u>	<u>-</u>
<b>EXPENDITURES</b>									
Salaries	8,089	2,851	5,238	-	-	-	-	-	-
Benefits	961	208	753	-	-	-	-	-	-
Purchased services	37,401	-	37,401	4,700	4,689	11	446	446	-
Supplies and materials	335	-	335	436	447	(11)	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
On-behalf payments	-	-	-	-	-	-	-	-	-
Total expenditures	<u>46,786</u>	<u>3,059</u>	<u>43,727</u>	<u>5,136</u>	<u>5,136</u>	<u>-</u>	<u>446</u>	<u>446</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>27,977</u>	<u>\$ 27,977</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>OTHER FINANCING SOURCES</b>									
Transfers in		-			-			-	
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>		27,977			-			-	
<b>FUND DEFICIT, BEGINNING OF YEAR</b>		(27,977)			-			-	
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>			<u>\$ -</u>			<u>\$ -</u>		

\* See prior year financial statements for additional actual amounts that were reported in FY 11.

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

**SCHEDULE 6**

	<b>General Educational Development</b>	<b>School Bus Driver Training</b>	<b>Annexation and Sales Petition</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,691	\$ 2,202	\$ 2,370	\$ 12,263
Investments	22,931	13,240	-	36,171
Accounts receivable	-	192	-	192
Due from other governmental units	100	66	-	166
<b>TOTAL ASSETS</b>	<b>\$ 30,722</b>	<b>\$ 15,700</b>	<b>\$ 2,370</b>	<b>\$ 48,792</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ -	\$ -	\$ 500	\$ 500
Deferred Revenue	100	-	-	100
Total liabilities	100	-	500	600
<b>FUND BALANCES</b>				
Restricted	30,622	15,700	1,870	48,192
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 30,722</b>	<b>\$ 15,700</b>	<b>\$ 2,370</b>	<b>\$ 48,792</b>

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE 7**

	<b>General Educational Development</b>	<b>School Bus Driver Training</b>	<b>Annexation and Sales Petition</b>	<b>Total</b>
<b>REVENUES</b>				
State sources	\$ -	\$ 1,191	\$ -	\$ 1,191
Local sources				
Fees for services	12,897	3,036	-	15,933
Interest	194	111	1	306
Total revenues	<u>13,091</u>	<u>4,338</u>	<u>1</u>	<u>17,430</u>
<b>EXPENDITURES</b>				
Salaries	4,108	1,075	-	5,183
Benefits	740	179	-	919
Purchased services	2,863	2,659	171	5,693
Supplies and materials	3,005	-	-	3,005
Miscellaneous	175	-	-	175
Total expenditures	<u>10,891</u>	<u>3,913</u>	<u>171</u>	<u>14,975</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	2,200	425	(170)	2,455
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>28,422</u>	<u>15,275</u>	<u>2,040</u>	<u>45,737</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 30,622</u>	<u>\$ 15,700</u>	<u>\$ 1,870</u>	<u>\$ 48,192</u>

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 NONMAJOR PROPRIETARY FUNDS  
 COMBINING STATEMENT OF NET ASSETS  
 JUNE 30, 2012

SCHEDULE 8

	<u>Regional Safe School Meals</u>	<u>American College Testing Student Fees</u>	<u>Excellence in Education</u>	<u>Technology Local Fees</u>	<u>Administrator's Academy</u>	<u>ParaPro</u>	<u>School Improvement Plan - LaSalle Co.</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 710	\$ 9,733	\$ 8,866	\$ -	\$ 3,805	\$ 5,281
Investments	-	-	24,317	-	-	-	-
Accounts receivable	10	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>10</u>	<u>710</u>	<u>34,050</u>	<u>8,866</u>	<u>-</u>	<u>3,805</u>	<u>5,281</u>
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>							
Unrestricted	<u>\$ 10</u>	<u>\$ 710</u>	<u>\$ 34,050</u>	<u>\$ 8,866</u>	<u>\$ -</u>	<u>\$ 3,805</u>	<u>\$ 5,281</u>

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
NONMAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2012**

**SCHEDULE 8  
(CONTINUED)**

	<b>Tech Integrations - LaSalle County</b>	<b>RSSP Student Activities</b>	<b>Criminal Background Investigation</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,005	\$ 1,739	\$ 8,933	\$ 47,072
Investments	-	-	-	24,317
Accounts receivable	-	-	658	668
<b>TOTAL ASSETS</b>	<u>8,005</u>	<u>1,739</u>	<u>9,591</u>	<u>72,057</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	-	-	255	255
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>255</u>	<u>255</u>
<b>NET ASSETS</b>				
Unrestricted	<u>\$ 8,005</u>	<u>\$ 1,739</u>	<u>\$ 9,336</u>	<u>\$ 71,802</u>



LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
NONMAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE 9

	Regional Safe School Meals	American College Testing Student Fees	Excellence in Education	Technology Local Fees	Administrator's Academy	ParaPro	School Improvement Plan - LaSalle Co.
<b>OPERATING REVENUE</b>							
Fees for services	\$ 948	\$ 6,710	\$ 22,172	\$ -	\$ 900	\$ 2,720	\$ 12,088
<b>OPERATING EXPENSES</b>							
Salaries	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-
Purchased services	2,874	3,440	10,583	5,000	-	-	3,887
Supplies and materials	-	3,109	3,100	-	-	1,350	-
Miscellaneous	-	-	165	-	-	-	-
Payments to other governmental units	-	-	1,000	-	-	-	2,920
Total operating expenses	2,874	6,549	14,848	5,000	-	1,350	6,807
<b>OPERATING INCOME (LOSS)</b>	(1,926)	161	7,324	(5,000)	900	1,370	5,281
<b>NONOPERATING REVENUE</b>							
Interest	1	1	202	8	-	2	-
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	(1,925)	162	7,526	(4,992)	900	1,372	5,281
<b>OPERATING TRANSFERS</b>							
Transfers out	-	-	-	-	(58,339)	-	-
<b>CHANGE IN NET ASSETS</b>	(1,925)	162	7,526	(4,992)	(57,439)	1,372	5,281
<b>NET ASSETS, BEGINNING OF YEAR</b>	1,935	548	26,524	13,858	57,439	2,433	-
<b>NET ASSETS, END OF YEAR</b>	\$ 10	\$ 710	\$ 34,050	\$ 8,866	\$ -	\$ 3,805	\$ 5,281

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
NONMAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE 9  
(CONTINUED)**

	<b>Tech Integrations - LaSalle County</b>	<b>RSSP Student Activities</b>	<b>Criminal Background Investigation</b>	<b>Total</b>
<b>OPERATING REVENUE</b>				
Fees for services	\$ 12,740	\$ 1,855	\$ 15,029	\$ 75,162
<b>OPERATING EXPENSES</b>				
Salaries	-	-	2,625	2,625
Benefits	-	-	201	201
Purchased services	929	-	6,355	33,068
Supplies and materials	3,806	117	60	11,542
Miscellaneous	-	-	-	165
Payments to other governmental units	-	-	-	3,920
Total operating expenses	<u>4,735</u>	<u>117</u>	<u>9,241</u>	<u>51,521</u>
<b>OPERATING INCOME (LOSS)</b>	8,005	1,738	5,788	23,641
<b>NONOPERATING REVENUE</b>				
Interest	-	1	4	219
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	8,005	1,739	5,792	23,860
<b>OPERATING TRANSFERS</b>				
Transfers out	-	-	-	(58,339)
<b>CHANGE IN NET ASSETS</b>	8,005	1,739	5,792	(34,479)
<b>NET ASSETS, BEGINNING OF YEAR</b>	-	-	3,544	106,281
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 8,005</u>	<u>\$ 1,739</u>	<u>\$ 9,336</u>	<u>\$ 71,802</u>

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
NONMAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE 10

	<u>Regional Safe School Meals</u>	<u>American College Testing Student Fees</u>	<u>Excellence in Education</u>	<u>Technology Local Fees</u>	<u>Administrators' Academy</u>	<u>ParaPro</u>	<u>School Improvement Plan - LaSalle County</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Receipts for workshops and services	\$ 958	\$ 6,710	\$ 22,172	\$ -	\$ 250	\$ 2,720	\$ 12,088
Payments to employees	-	-	-	-	-	-	-
Payments to suppliers	(2,874)	(6,549)	(14,848)	(5,000)	-	(1,575)	(6,807)
Net cash provided by (used in) operating activities	(1,916)	161	7,324	(5,000)	250	1,145	5,281
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:</b>							
Transfers out	-	-	-	-	(58,339)	-	-
Net cash provided by non capital financing activities	-	-	-	-	(58,339)	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Purchases of investments	-	-	(202)	-	-	-	-
Interest	1	1	202	8	-	2	-
Net cash provided by investing activities	1	1	-	8	-	2	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,915)	162	7,324	(4,992)	(58,089)	1,147	5,281
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	1,915	548	2,409	13,858	58,089	2,658	-
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ -	\$ 710	\$ 9,733	\$ 8,866	\$ -	\$ 3,805	\$ 5,281
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>							
Operating income (loss)	\$ (1,926)	\$ 161	\$ 7,324	\$ (5,000)	\$ 900	\$ 1,370	\$ 5,281
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Effects of changes in assets and liabilities:							
Accounts receivable	10	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	250	-	-
Accounts payable and accrued expenses	-	-	-	-	-	(225)	-
Deferred revenues	-	-	-	-	(900)	-	-
Net cash provided by (used in) operating activities	\$ (1,916)	\$ 161	\$ 7,324	\$ (5,000)	\$ 250	\$ 1,145	\$ 5,281

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
NONMAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE 10  
(CONTINUED)

	<b>Tech Integrations - LaSalle County</b>	<b>RSSP Student Activities</b>	<b>Criminal Background Investigation</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts for workshops and services	\$ 12,740	\$ 1,855	\$ 14,751	\$ 74,244
Payments to employees	-	-	(2,625)	(2,625)
Payments to suppliers	(4,735)	(117)	(6,494)	(48,999)
Net cash provided by (used in) operating activities	<u>8,005</u>	<u>1,738</u>	<u>5,632</u>	<u>22,620</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:</b>				
Transfers out	-	-	-	(58,339)
Net cash provided by non capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,339)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of investments	-	-	-	(202)
Interest	-	1	4	219
Net cash provided by investing activities	<u>-</u>	<u>1</u>	<u>4</u>	<u>17</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,005</b>	<b>1,739</b>	<b>5,636</b>	<b>(35,702)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>3,297</u>	<u>82,774</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 8,005</u>	<u>\$ 1,739</u>	<u>\$ 8,933</u>	<u>\$ 47,072</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 8,005	\$ 1,738	\$ 5,788	\$ 23,641
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Effects of changes in assets and liabilities:				
Accounts receivable	-	-	(283)	(273)
Due from other governmental units	-	-	5	255
Accounts payable and accrued expenses	-	-	122	(103)
Deferred revenues	-	-	-	(900)
Net cash provided by (used in) operating activities	<u>\$ 8,005</u>	<u>\$ 1,738</u>	<u>\$ 5,632</u>	<u>\$ 22,620</u>

**LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2012**

**SCHEDULE 11**

	<u>Distributive</u>	<u>Payroll</u>	<u>MPW'S Teacher Quality Grant</u>	<u>MPW'S ROE/ISC Operations Grant</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 11	\$ 2	\$ -	\$ -	\$ 13
<b>LIABILITIES</b>					
Due to other governmental units	\$ 11	\$ 2	-	-	\$ 13

LASALLE COUNTY REGIONAL OFFICE OF EDUCATION NO. 35  
 FIDUCIARY FUNDS

SCHEDULE 12

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<b>DISTRIBUTIVE</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 187	\$ 5,824,900	\$ 5,825,076	\$ 11
<b>LIABILITIES</b>				
Due to other governmental units	\$ 187	\$ 5,824,900	\$ 5,825,076	\$ 11
<b>PAYROLL</b>				
<b>ASSETS</b>				
Cash and cash equivalents	6	751,721	751,725	2
<b>LIABILITIES</b>				
Due to other governmental units	6	751,721	751,725	2
<b>MPW'S TEACHER QUALITY GRANT</b>				
<b>ASSETS</b>				
Cash and cash equivalents	19,345	-	19,345	-
<b>LIABILITIES</b>				
Due to other governmental units	19,345	-	19,345	-
<b>MPW'S ROE/ISC OPERATIONS GRANT</b>				
<b>ASSETS</b>				
Cash and cash equivalents	-	26,055	26,055	-
<b>LIABILITIES</b>				
Due to other governmental units	-	26,055	26,055	-
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,538	\$ 6,602,676	\$ 6,622,201	\$ 13
<b>LIABILITIES</b>				
Due to other governmental units	\$ 19,538	\$ 6,602,676	\$ 6,622,201	\$ 13

DISTRIBUTIVE FUND

SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHERS  
FOR THE YEAR ENDED JUNE 30, 2012

Program	Code	LaSalle County ROE	LEASE	L-P Area Voc. Center	Grand Total
General State Aid	3001	\$ 241,099	\$ -	\$ -	\$ 241,099
Special Ed. - Personnel	3110	-	554,437	-	554,437
State Free Lunch & Breakfast	3360	858	899	-	1,757
Transportation - Regular and Vocational	3500	-	-	13,385	13,385
ROE School Bus Driver Training	3520	1,191	-	-	1,191
Truants Alternative/Optional Ed.	3695	105,641	-	-	105,641
Regional Safe Schools	3696	119,568	-	-	119,568
ROE/ISC Operations	3730	85,679	-	-	85,679
Technology - Learning Technology Centers	3780	51,243	-	-	51,243
Teacher & Administrators Mentoring Program	3982	40,036	-	-	40,036
National School Lunch Program	4210	12,452	11,541	-	23,993
School Breakfast Program	4220	7,553	7,656	-	15,209
Fresh Fruits and Vegetables	4240	-	2,010	-	2,010
Fed. - Sp. Ed. - Pre-School Flow Through	4600	-	197,302	-	197,302
Fed - Sp. Ed -IDEA - Flow through	4620	-	4,097,648	-	4,097,648
ARRA - Title I School Improvement & Acct	4854	82,670	-	-	82,670
ARRA-Fed. - Sp. Ed. - I.D.E.A. - Flow Through	4857	-	186,809	-	186,809
ARRA - Technology - Enhancing Education	4861	5,136	-	-	5,136
Title II - Teacher Quality	4932	62	-	-	62
Interest Income	8801	201	-	-	201
<b>TOTAL</b>		<b>\$ 753,389</b>	<b>\$ 5,058,302</b>	<b>\$ 13,385</b>	<b>\$ 5,825,076</b>