

State of Illinois
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
FINANCIAL AUDIT
For the Year Ended June 30, 2007

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

**STATE OF ILLINOIS
 REGIONAL OFFICE OF EDUCATION #45
 MONROE AND RANDOLPH COUNTIES
 For the Year Ended June 30, 2007**

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**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2007**

OFFICIALS

Regional Superintendent (Current and during audit period)

Mr. Marc L. Kiehna

Assistant Regional Superintendent (Current and during audit period)

Mr. Kelton J.V. Davis

Offices are located at:

107 East Mill Street
Waterloo, Illinois 62298

Randolph County Courthouse
#1 Taylor Street
Chester, Illinois 62233

**STATE OF ILLINOIS
 REGIONAL OFFICE OF EDUCATION #45
 MONROE AND RANDOLPH COUNTIES
 For the Year Ended
 June 30, 2007**

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	0	1
Repeated audit findings	0	1
Prior recommendations implemented or not repeated	0	0

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

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

None

FINDINGS (FEDERAL COMPLIANCE)

None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

06-01	12	Controls over compliance with laws and regulations
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PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2007**

EXIT CONFERENCE

An exit conference was held with Agency personnel on December 13, 2007 to go over the auditor's report. Attending were Marc Kiehna, Regional Superintendent of Schools, Kelton Davis, Assistant Regional Superintendent, Linda Schmidt, Comptroller, and Dale Holtmann, CPA, Special Assistant Auditor, J. W. Boyle & Co., Ltd.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2007**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Regional Office of Education #45 was performed by J.W. Boyle & Co., Ltd.

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

AUDITORS' REPORTS



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 Regional Office of Education #45, as of and for the year ended June 30, 2007, which collectively comprise the Regional Office of Education #45's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #45's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

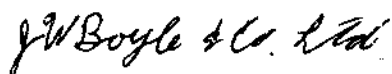
The fiscal year ended June 30, 1996 audit report has not been finalized. In addition, the predecessor auditor's working papers for that year have not been available for review. Therefore, we are unable to satisfy ourselves regarding beginning balances reported in the prior year's financial statements and we are unsure of the status of finalizing the fiscal year ended June 30, 1996 audited financial statements including any unrecorded liabilities as described in Note 8.

In our opinion, except for the effects of such adjustments, if any, as might have been necessary had the working papers been reviewed and a final audit report issued for the fiscal year ended June 30, 1996, 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 Regional Office of Education #45, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 15, 2008 on our consideration of the Regional Office of Education #45's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 13a through 13h and 46 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #45's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



J. W. Boyle & Co., Ltd.

February 15, 2008



**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 Regional Office of Education #45, as of and for the year ended June 30, 2007, which collectively comprise the Regional Office of Education #45's basic financial statements and have issued our report thereon dated February 15, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #45's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education #45's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #45's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 Regional Office of Education #45's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

JW Boyle & Co, Ltd.

J. W. Boyle & Co., Ltd.

February 15, 2008

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2007**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: _____ Qualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es) _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2007**

Section II – Financial Statement Findings

FINDING NO.	<u>N/A</u>
REPEATED FROM	<u>N/A</u>

None

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT – YEAR AUDIT FINDINGS
For the Year Ended June 30, 2007**

Corrective Action Plan

There are no current year findings; accordingly there is no corrective action plan.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2007**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
06-01	A. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.11.	Resolved.
	B. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.5.	Resolved.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL OFFICE OF EDUCATION #45 MONROE AND RANDOLPH COUNTIES

Management's Discussion and Analysis

As management of Monroe/Randolph Counties Regional Office of Education #45 (ROE #45), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the ROE #45 for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with ROE #45's financial statements, which follow this section.

2007 Financial Highlights

- The assets of Regional Office of Education #45 exceeded its liabilities by \$760,338 (net assets). Of this amount, \$247,221 is restricted for specific purposes of governmental activities and \$39,995 is restricted for Institute activities. \$47,128 accounts for the capital assets with no related debt.
- The Regional Office of Education #45's total net assets increased by \$8,851. This change was largely attributable to an increase in local and interest revenues.
- The capital assets (net) of Regional Office of Education #45 decreased by \$14,602. The net change in accumulated depreciation was \$18,285. See Note #3 for further details.

Overview of the Financial Statements

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Agency's financial activities.
- The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These financial statements provide information about the activities of ROE #45 as a whole and present an overall view of the Agency's finances in a manner similar to private sector businesses.

- The Fund Financial Statements illustrate how governmental services were financed in the short term, as well as what remains for future spending. Fund financial statements report ROE #45's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements.
- Other information includes combining financial statements and budgetary information for certain general fund accounts, education fund accounts, and other non-major accounts.

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

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

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

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

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

The government-wide financial statements can be found on pages 14-15 of this report.

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

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

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

The basic governmental fund financial statements can be found on pages 16 and 18 of this report.

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

The proprietary funds required financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets and a Statement of Cash Flows. The basic proprietary fund financial statements can be found on pages 20-22 of this report.

See independent auditors' report.

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

The basic fiduciary fund statements can be found on page 23 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-45 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning ROE #45. Overall budgeting is not a legal requirement for ROE #45. Accordingly, formal budgets are not adopted; and therefore, budgetary comparison schedules are not included in the required supplementary information (RSI). However, ROE #45 is the recipient of monies from the Illinois State Board of Education (ISBE) for certain accounts within the general fund and for most accounts within the education fund on which ISBE requires budgetary comparison to actual results. Budgetary comparison schedules have been provided for the ISBE accounts to demonstrate compliance and can be found on pages 49, 60-64, and 67-74 of this report. In addition, budgetary comparison schedules have been provided for the grants received from the Illinois Community College Board (ICCB), which can be found on pages 56-59 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and combining statements for the general and education funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 47-77 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of financial position. In the case of ROE #45, assets exceeded liabilities by \$760,338 at the close of fiscal year 2007.

ROE #45's net assets are split approximately 85% to governmental activities and 15% to business-type activities. Of the governmental net assets, approximately 7% are invested in capital assets, 38% restricted as to use, and the remaining 55% unrestricted as to use.

ROE 45's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 618,993	\$ 589,887	\$ 115,316	\$ 117,806	\$ 734,309	\$ 707,693
Capital assets	47,128	61,730	-	-	47,128	61,730
Total assets	<u>666,121</u>	<u>651,617</u>	<u>115,316</u>	<u>117,806</u>	<u>781,437</u>	<u>769,423</u>
Other liabilities	20,329	15,066	770	2,870	21,099	17,936
Long-term debt	-	-	-	-	-	-
Total liabilities	<u>20,329</u>	<u>15,066</u>	<u>770</u>	<u>2,870</u>	<u>21,099</u>	<u>17,936</u>
Net assets:						
Invested in capital assets, net of related debt	47,128	61,730	-	-	47,128	61,730
Restricted	247,221	222,884	39,995	42,562	287,216	265,446
Unrestricted	<u>351,443</u>	<u>351,937</u>	<u>74,551</u>	<u>72,374</u>	<u>425,994</u>	<u>424,311</u>
Total net assets	<u>\$ 645,792</u>	<u>\$ 636,551</u>	<u>\$ 114,546</u>	<u>\$ 114,936</u>	<u>\$ 760,338</u>	<u>\$ 751,487</u>

During 2007, current assets, comprised predominately of cash and investments and receivables, increased \$26,616 due mainly to more aggressive investment practices with improved rates of return. As a result there was an increase in the amount of current assets and a subsequent net decrease of \$14,602 for capital assets. The net assets of the business-type activities remained relatively stable.

As indicated above, ROE #45 reported positive net assets for both the governmental and business-type activities. The assets of ROE #45 exceeded its liabilities at the close of the year by \$760,338 (net assets). Approximately 48% of net assets are restricted for specific use; \$247,221 is restricted for specific purposes of governmental activities and another \$114,546 is restricted for registration and institute activities. The investment in net capital assets was \$47,128 at the end of 2007. ROE #45 uses these capital assets in providing services to its citizens; consequently, these assets are not available for future spending.

Net assets of ROE #45 increased by \$8,851 during 2007. Governmental activities contributed \$9,241 of the increase while the business-type activities remained relatively stable with only a small decrease of \$390. Key elements of the change are as follows:

ROE 45's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:						
Program revenues:						
Charges for services	\$ 7,898	\$ 7,641	\$ 114,305	\$ 74,046	\$ 122,203	\$ 81,687
Operating grants & contributions	569,835	643,026	-	-	569,835	643,026
General revenues:						
Local sources	290,491	269,982	-	-	290,491	269,982
State sources	68,820	57,689	-	-	68,820	57,689
Federal sources	-	-	-	-	-	-
On-behalf payments	232,191	221,554	-	-	232,191	221,554
Interest	12,625	5,734	4,737	3,427	17,362	9,161
Total revenues	<u>1,181,860</u>	<u>1,205,626</u>	<u>119,042</u>	<u>77,473</u>	<u>1,300,902</u>	<u>1,283,099</u>
Expenses:						
Salaries and benefits	695,373	711,403	30,669	27,792	726,042	739,195
Purchased services	173,859	205,188	54,860	38,997	228,719	244,185
Supplies and materials	51,456	43,067	30,037	8,633	81,493	51,700
Capital outlay	-	-	-	-	-	-
Other	441	323	3,866	3,536	4,307	3,859
Depreciation	19,261	26,390	-	-	19,261	26,390
On-behalf payments	232,191	221,554	-	-	232,191	221,554
Total expenses	<u>1,172,581</u>	<u>1,207,925</u>	<u>119,432</u>	<u>78,958</u>	<u>1,292,013</u>	<u>1,286,883</u>
Special item						
Loss on sale of capital assets	38	5,323	-	-	38	5,323
Increase (decrease) in net assets	9,241	(7,622)	(390)	(1,485)	8,851	(9,107)
Net assets-beginning	<u>636,551</u>	<u>644,173</u>	<u>114,936</u>	<u>116,421</u>	<u>751,487</u>	<u>760,594</u>
Net assets-ending	<u>\$ 645,792</u>	<u>\$ 636,551</u>	<u>\$114,546</u>	<u>\$114,936</u>	<u>\$ 760,338</u>	<u>\$ 751,487</u>

See independent auditors' report.

Governmental Activities

Revenues for governmental activities were \$1,181,860 and expenses were \$1,172,581. In a difficult budget year, ROE #45 was able to maintain many services even with a marked reduction in revenue, resulting in similar reduction in expenses. Revenues decreased \$23,766 due to a reduction in federal and state funding. A large portion of that was in federal Even Start funding.

With the reduction in revenues, efforts were made to decrease costs to compensate for the decreased revenues. Overall governmental expenses were reduced approximately \$45,981 (exclusive of on-behalf payments) consisting primarily of a decrease of approximately \$16,030 in salaries and benefits, \$31,329 in purchased services, an increase of \$8,389 in supplies and materials and a decrease of \$7,129 in depreciation. The salary and benefits decreased from a reduction in staff due to the expiration of certain grant funding. The decrease in purchased services was also due to a reduction of grant funding. A large portion of the increase of supplies and materials was due to an increase in the federal math and science grant. Depreciation decrease is a function of the age of the assets that are depreciated without replacement.

Business-Type Activities

The charges for services increased by \$40,259 when compared to 2006 due to increased number of participants attending local workshops and conferences. Salaries and benefits increased slightly from 2006 by approximately \$2,877. Supplies and materials increased by approximately \$21,404 and purchased services increased by approximately \$15,863 due to increases in the number of workshop participants.

Financial Analysis of ROE #45's Funds

Governmental funds. As previously noted, ROE #45 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. ROE #45's governmental funds reported combined fund balances of \$598,664, an increase of \$23,843 from last year's ending fund balance of \$574,821. The increase is attributable to an increased return on investments and a decrease in depreciation expense. Factors concerning the changes in revenues and expenditures have already been addressed in the discussion of ROE #45's governmental activities.

The general fund is the chief operating fund of ROE #45. At the end of the current fiscal year, the unreserved and undesignated balance of the general fund decreased by \$494 to \$351,443. The education fund increased \$21,543 to \$231,763. In addition, the Regional Safe Schools program received additional funding this year. The education fund balance is restricted for specific education program use.

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

See independent auditors' report.

Budgetary Highlights

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

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

Capital Assets

ROE 45's Capital Assets Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Equipment	\$ 47,128	\$ 61,730	\$ -	\$ -	\$ 47,128	\$ 61,730

At June 30, 2007 and June 30, 2006, ROE #45 had invested \$255,366 and \$288,253, respectively, in a broad range of capital assets, including office equipment, computers and audio-visual equipment.

ROE #45 had depreciation expense of \$19,261 and \$26,390 in 2007 and 2006, respectively, with accumulated depreciation of \$208,238 and \$226,523 at June 30, 2007 and 2006, respectively. More detailed information about capital assets is available in Note 3 to the financial statements.

During fiscal year 2007, the ROE scrapped obsolete electronic equipment that had an original cost of \$37,584 and accumulated depreciation of \$37,546, which resulted in a net loss on these assets of \$38.

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, ROE #45 was aware of only one existing circumstance that could affect its financial health in the future. ROE #45 has experienced a decrease in the amount of grant funds received from fiscal year 2006 to fiscal year 2007 and this trend could continue into future fiscal periods.

Contacting ROE #45's Financial Management

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

See independent auditor's report.

BASIC FINANCIAL STATEMENTS

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF NET ASSETS
June 30, 2007**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 341,908	\$ 77,188	\$ 419,096
Investments	216,586	64,598	281,184
Prepaid Expenses	5,949	-	5,949
Due from other governments			
State	23,574	-	23,574
Other	2,361	-	2,361
Accounts receivable	-	2,145	2,145
Internal balances	28,615	(28,615)	-
Total Current Assets	618,993	115,316	734,309
Noncurrent Assets:			
Capital assets, being depreciated, net	47,128	-	47,128
Total Noncurrent Assets	47,128	-	47,128
TOTAL ASSETS	666,121	115,316	781,437
LIABILITIES			
Current Liabilities:			
Accounts payable	1,930	500	2,430
Accrued wages and benefits	1,003	-	1,003
Due to other governments			
State	-	-	-
Deferred revenue	17,396	270	17,666
Total current liabilities	20,329	770	21,099
Long-term Liabilities:			
Commitments & contingencies	-	-	-
Total Long-term Liabilities	-	-	-
TOTAL LIABILITIES	20,329	770	21,099
NET ASSETS			
Invested in capital assets, net of related debt	47,128	-	47,128
Restricted	247,221	39,995	287,216
Unrestricted	351,443	74,551	425,994
TOTAL NET ASSETS	\$ 645,792	\$ 114,546	\$ 760,338

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

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
Instructional services:							
Salaries and benefits	\$ 695,373	\$ -	\$ 450,442	\$ -	\$ (244,931)	\$ -	\$ (244,931)
Purchased services	173,859	5,962	77,797	-	(90,100)	-	(90,100)
Supplies and materials	51,456	1,936	39,970	-	(9,550)	-	(9,550)
Capital outlay	-	-	1,484	-	1,484	-	1,484
Other	441	-	142	-	(299)	-	(299)
Depreciation	19,261	-	-	-	(19,261)	-	(19,261)
Administrative							
On-behalf payments - state	232,191	-	-	-	(232,191)	-	(232,191)
Total governmental activities	1,172,581	7,898	569,835	-	(594,848)	-	(594,848)
Business-type activities							
Institute and registration services	119,432	114,305	-	-	-	(5,127)	(5,127)
Total business-type activities	119,432	114,305	-	-	-	(5,127)	(5,127)
Total primary government	\$ 1,292,013	\$ 122,203	\$ 569,835	\$ -	\$ (594,848)	\$ (5,127)	\$ (599,975)
General revenues:							
Local sources					290,491	-	290,491
State sources					68,820	-	68,820
Federal sources					-	-	-
On-behalf payments					232,191	-	232,191
Interest					12,625	4,737	17,362
Special item-loss on disposal of capital assets					(38)	-	(38)
Transfers					-	-	-
Total general revenues, special and extraordinary items, and transfers					604,089	4,737	608,826
Change in net assets					9,241	(390)	8,851
Net assets - beginning of year					636,551	114,936	751,487
Net assets - end of year					\$ 645,792	\$ 114,546	\$ 760,338

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

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 176,163	\$ 150,287	\$ 15,458	\$ 341,908
Investments	107,365	109,221	-	216,586
Internal balances	62,143	-	-	62,143
Due from other governments				
State	-	23,574	-	23,574
Other	1,078	1,283	-	2,361
Prepaid expenses	5,949	-	-	5,949
TOTAL ASSETS	<u>\$ 352,698</u>	<u>\$ 284,365</u>	<u>\$ 15,458</u>	<u>\$ 652,521</u>
LIABILITIES				
Accounts payable	\$ 251	\$ 1,679	\$ -	\$ 1,930
Accrued wages and benefits	1,003	-	-	1,003
Internal balances	-	33,528	-	33,528
Due to other governments				
State	-	-	-	-
Deferred revenue	1	17,395	-	17,396
Commitments and contingencies	-	-	-	-
Total liabilities	<u>1,255</u>	<u>52,602</u>	<u>-</u>	<u>53,857</u>
FUND BALANCES				
Reserved for:				
Encumbrances	-	-	-	-
Other purposes	-	-	-	-
Restricted	-	231,763	15,458	247,221
Unreserved, reported in:				
General fund	351,443	-	-	351,443
Total fund balances	<u>351,443</u>	<u>231,763</u>	<u>15,458</u>	<u>598,664</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 352,698</u>	<u>\$ 284,365</u>	<u>\$ 15,458</u>	<u>\$ 652,521</u>

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

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET ASSETS
June 30, 2007**

Total Fund balances-governmental funds	\$ 598,664
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	47,128
Net assets of governmental activities	<u>\$ 645,792</u>

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

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007**

	General Fund	Education Fund	Other Non-Major Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 268,261	\$ 22,231	\$ 5,298	\$ 295,790
State sources	68,820	350,395	2,600	421,815
Federal sources	-	219,439	-	219,439
On behalf payments	232,191	-	-	232,191
Interest	7,443	5,026	156	12,625
Total revenues	<u>576,715</u>	<u>597,091</u>	<u>8,054</u>	<u>1,181,860</u>
Expenditures:				
Education				
Salaries	169,273	379,929	-	549,202
Employee benefits	71,142	75,029	-	146,171
Purchased services	91,092	78,577	4,190	173,859
Supplies and materials	10,015	40,371	1,070	51,456
Capital outlay	3,198	1,499	-	4,697
Other	298	143	-	441
On-behalf payments	232,191	-	-	232,191
Total expenditures	<u>577,209</u>	<u>575,548</u>	<u>5,260</u>	<u>1,158,017</u>
Excess (deficiency) of revenues over expenditures	<u>(494)</u>	<u>21,543</u>	<u>2,794</u>	<u>23,843</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(494)	21,543	2,794	23,843
Fund balances - beginning of year	<u>351,937</u>	<u>210,220</u>	<u>12,664</u>	<u>574,821</u>
Fund balances - end of year	<u>\$ 351,443</u>	<u>\$ 231,763</u>	<u>\$ 15,458</u>	<u>\$ 598,664</u>

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

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

Net change in fund balances \$ 23,843

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

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

Capital outlay	\$ 4,697	
Depreciation expense	(19,261)	
Loss on disposal of capital assets	<u>(38)</u>	<u>(14,602)</u>

Change in net assets of governmental activities \$ 9,241

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

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2007**

	<u>Business-type Activities-Enterprise funds</u>			<u>Total</u>
	<u>Registration</u>	<u>Teacher's Institute</u>	<u>Maidez Center Project</u>	
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 47,961	\$ 29,224	\$ 3	\$ 77,188
Investments	53,827	10,771	-	64,598
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Accounts receivable	2,145	-	-	2,145
Prepaid expenses	-	-	-	-
Total Current Assets	<u>103,933</u>	<u>39,995</u>	<u>3</u>	<u>143,931</u>
Noncurrent Assets:				
Capital assets, net	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>103,933</u>	<u>39,995</u>	<u>3</u>	<u>143,931</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	500	-	-	500
Accrued wages and benefits	-	-	-	-
Due to other funds	3,500	-	25,115	28,615
Due to other governments	-	-	-	-
State	-	-	-	-
Deferred revenue	270	-	-	270
Total current liabilities	<u>4,270</u>	<u>-</u>	<u>25,115</u>	<u>29,385</u>
Long-term liabilities				
Commitments and contingencies	-	-	-	-
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>4,270</u>	<u>-</u>	<u>25,115</u>	<u>29,385</u>
NET ASSETS				
Invested in capital assets, net of related debt	-	-	-	-
Restricted	-	39,995	-	39,995
Unrestricted	99,663	-	(25,112)	74,551
TOTAL NET ASSETS	<u>\$ 99,663</u>	<u>\$ 39,995</u>	<u>\$ (25,112)</u>	<u>\$ 114,546</u>

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

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2007

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total</u>
	<u>Registration</u>	<u>Teacher's Institute</u>	<u>Maidez Center Project</u>	
Operating revenues:				
Charge for Services	\$ 97,474	\$ 16,831	-	\$ 114,305
Total operating revenues	<u>97,474</u>	<u>16,831</u>	<u>-</u>	<u>114,305</u>
Operating expenses:				
Salaries and Benefits	25,141	5,528	-	30,669
Purchased services	27,653	13,222	13,985	54,860
Supplies and materials	18,361	1,504	10,172	30,037
Capital outlay	-	-	-	-
Other	3,866	-	-	3,866
Depreciation	-	-	-	-
Total operating expenses	<u>75,021</u>	<u>20,254</u>	<u>24,157</u>	<u>119,432</u>
Operating income (loss)	<u>22,453</u>	<u>(3,423)</u>	<u>(24,157)</u>	<u>(5,127)</u>
Nonoperating revenues:				
Investment income	3,836	856	45	4,737
Total nonoperating revenue	<u>3,836</u>	<u>856</u>	<u>45</u>	<u>4,737</u>
Income (loss) before contributions, transfers, and gains/losses	26,289	(2,567)	(24,112)	(390)
Capital contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Gain (Loss) on disposal of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	26,289	(2,567)	(24,112)	(390)
Net assets, beginning of year	<u>73,374</u>	<u>42,562</u>	<u>(1,000)</u>	<u>114,936</u>
Net assets, end of year	<u>\$ 99,663</u>	<u>\$ 39,995</u>	<u>\$ (25,112)</u>	<u>\$ 114,546</u>

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

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2007**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total</u>
	<u>Registration</u>	<u>Teacher's Institute</u>	<u>Maidez Center Project</u>	
Cash flows from operating activities:				
Receipts from customers	\$ 95,412	\$ 16,831	\$ -	\$ 112,243
Payments to suppliers and providers for goods and services	(48,322)	(14,726)	(24,157)	(87,205)
Payments to employees	(25,141)	(5,528)	-	(30,669)
Net cash provided by (used for) operating activities	<u>21,949</u>	<u>(3,423)</u>	<u>(24,157)</u>	<u>(5,631)</u>
Cash flows from noncapital financing activities:				
Cash received from other funds	-	-	15,115	15,115
Cash transfers to other funds	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>15,115</u>	<u>15,115</u>
Cash flows from capital and related financing activities:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Purchase of investments	(2,710)	(542)	-	(3,252)
Interest received on investments	3,836	856	45	4,737
Net cash provided by (used for) investing activities	<u>1,126</u>	<u>314</u>	<u>45</u>	<u>1,485</u>
Net increase (decrease) in cash and cash equivalents	23,075	(3,109)	(8,997)	10,969
Cash and cash equivalents - beginning of year	<u>24,886</u>	<u>32,333</u>	<u>9,000</u>	<u>66,219</u>
Cash and cash equivalents - end of year	<u>\$ 47,961</u>	<u>\$ 29,224</u>	<u>\$ 3</u>	<u>\$ 77,188</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 22,453	\$ (3,423)	\$ (24,157)	\$ (5,127)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Change in assets and liabilities:				
Decrease in accounts receivable	528	-	-	528
Decrease in prepaid expenses	1,068	-	-	1,068
Increase in accounts payable	490	-	-	490
(Decrease) in deferred revenue	(2,590)	-	-	(2,590)
Net cash provided by (used for) operating activities	<u>\$ 21,949</u>	<u>\$ (3,423)</u>	<u>\$ (24,157)</u>	<u>\$ (5,631)</u>

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

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
June 30, 2007

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 514,353
Investments	1,200,000
Due from other governments	-
TOTAL ASSETS	\$ 1,714,353
LIABILITIES	
Accounts payable	\$ -
Accrued wages and benefits	-
Due to other governments	1,714,353
TOTAL LIABILITIES	\$ 1,714,353

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

NOTES TO FINANCIAL STATEMENTS

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

This summary of significant accounting policies of the Regional Office of Education #45 (Regional Office of Education) is presented to assist in understanding the Regional Office of Education's financial statements. The financial statements and notes are representations of the Regional Office of Education's management who is responsible for the integrity and objectivity of the financial statements. The Illinois Administrative Code, Title 23 - Subtitle A, Chapter I, Section 110.115a, requires each Regional Office of Education to prepare annual financial statements in conformity with accounting principles generally accepted in the United States of America. These principles have been consistently applied in the preparation of the financial statements.

A. Financial Reporting Entity

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

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

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

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

See independent auditors' report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education, or see that no payments are made unless the treasurer has filed or renewed appropriate bonds and that the district has certified publication of the annual financial report.

The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2007, the Regional Office of Education applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #45. Such activities are reported as a single major fund (Education Fund).

B. Scope of the Reporting Entity

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

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

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education 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.

See independent auditors' report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. 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 Regional Office of Education #45. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by grant revenues and intergovernmental revenues, are reported separately from business-type activities, which would generally rely to a significant extent on fees and charges for support.

The Statement of Net Assets presents the nonfiduciary assets and liabilities, with the differences reported as net assets. Net assets are reported in three categories:

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

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. 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.

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

The accounts of the Regional Office of Education #45 are organized on the basis of funds and account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts. The Regional Office of Education #45 maintains individual funds required by the State of Illinois and as established by purpose or agreements. The various funds are summarized by type in the financial statements. These funds and accounts are grouped by fund type. The Regional Office of Education's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and by the means in which spending activities are controlled.

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**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and fund financial statements (continued)

The various funds used by the Regional Office of Education #45 are categorized as follows for presentation in the financial statements:

Governmental Fund Types

- The *General Fund* is the general operating fund of the Regional Office of Education. It is used to account for all financial resources, except those required to be accounted for in another fund. Included among this fund are the County, Office and Regional Office of Education/ Intermediate Service Center (ROE/ISC) Operations accounts.

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

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

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

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

- *Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are designated to finance specific functions or activities within the Regional Office of Education. The Regional Office of Education reports one major fund, the *Education Fund*, a special revenue fund, which is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Education Fund includes the following accounts:

Adult Education: Federal Basic, State Basic, State Performance, and Public Assistance – Adult education is instruction and support services below the postsecondary level for individuals (a) who have attained 16 years of age; (b) who are not enrolled or required to be enrolled in secondary school under state law; and (c) who lack sufficient mastery of basic educational skills to enable the individuals to function effectively in society; do not have a secondary school diploma; and are unable to speak, read, or write the English language. The instructional and support services are designed to assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency; assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children; and assist adults in the completion of a secondary school education.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and fund financial statements (continued)

Adult Education Supplemental Funding – Family Visitation Center – This donation was from Wal-Mart to support the Adult Education and Literacy Program. The money may also be used for students with insufficient funds to pay the \$35 GED examination fee. Students in need are referred from other social service agencies.

Even Start – Even Start is a federally funded program designed to serve children ages birth through seven and their parents. The parents must be eligible for participation in adult education and literacy activities under the Adult Education and Family Literacy Act or attending secondary school. The components of Even Start are: interactive literacy activities between parents and their children; parent literacy training that leads to economic self-sufficiency; and age-appropriate education to prepare children for success in school.

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

Rural Education Achievement Program – These funds are from the U.S. Department of Education for Small, Rural School Achievement Program. This grant is intended to assist the district in raising student academic achievement and meeting the State's definition of adequate yearly progress.

Secretary of State Community Literacy Program – LASER (Library and Superintendent Efforts in Reading) – The purpose of the grant is to provide instruction in literacy to persons 16 years or older who read or compute below the 9th grade level. The program is for participants residing in Monroe, Randolph and St. Clair counties as both Monroe/Randolph and St. Clair Regional Offices of Education are covered by this program.

Truants Alternative/Optional Education – This account is used for the grant monies received for, and payment of, providing truancy prevention programming and monitoring truants.

Mathematics and Science Partnership – St. Clair County Regional Office of Education is the fiscal agent for this grant. The purpose of the grant was to target math and science teachers with content specific professional development.

Film Co-op – This account was established for the elementary, secondary, and private schools in Monroe/Randolph counties to provide film and other audio-visual materials to its member school districts. Members of the coop pay a fee for materials and delivery to their schools.

Red Bud Community Project – This account was established to provide access to a reliable high-speed network for the Red Bud Community.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and fund financial statements (continued)

Title I Standards Aligned Classroom Initiative – This grant is a State initiative sponsored by the Illinois State Board of Education. The purpose of this grant is to assist teams of teachers in aligning their curriculum with the Illinois Learning Standards. Particular attention was made in the professional development of teacher teams with the assessment of student's achievement of the Illinois Learning Standards' Benchmarks. These funds were distributed through the Regional Office of Education #3, located in Vandalia, Illinois.

Student Assistance Program Mini Grant – This is used to train and support student assistance teams in Monroe/Randolph school districts.

Rural Educator & Student Opportunities in Nuclear Science – The grant was used to develop a program for students and teachers from our regional schools districts to visit the science education facilities at the University of Illinois in Champaign and to conduct hands-on experiments in nuclear science.

We the People Citizen Project – This program promotes competent and responsible participation in State and local government by actively engaging students in learning how to monitor and influence public policy and encourages civic participation among students, their parents, and members of the community. The program also includes the Learn and Serve grant, which is co-sponsored by the Illinois State Board of Education's Division of Curriculum and Instruction and the Office of Illinois Lt. Governor Pat Quinn. Service-learning is an instructional method in which students learn and develop through active participation in thoughtfully organized community service. This grant was used to support a program for middle school students.

Title I School Improvement System of Support- The purpose of this grant is to conduct targeted assistance with planning, professional development, and data analysis solely with struggling schools eligible to receive service.

Title II Teacher Quality – This grant is handled through the Beck Career Center and is used to provide tuition reimbursements for continuing education and professional development for provisionally certified teachers.

Title IV Safe and Drug Free School Formula – This grant is handled through the Beck Career Center and is used to give students the opportunity to get involved with their surrounding area and learn from the experience.

Title V Innovative Programs – This grant is handled through the Beck Career Center and is used for academic teachers working with "at risk" youth to support creative educational activities both in and outside the regular classroom.

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For the Year Ended June 30, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and fund financial statements (continued)

- *Non-major funds* include the following:

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

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

Supervisory Expense – The Regional Superintendent receives an annual award of \$2,000 from the State Board of Education to pay for travel and meeting expenses.

Fiduciary Fund Types

Agency Funds are used to account for assets held by the Regional Office of Education #45 as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Distributive Fund, which encompasses funds received from the Illinois State Board of Education and distributed to various educational entities; the State Aid Fund, used primarily for the Safe Schools program; and the Human Services Educational/Vocational Project, an Illinois Department of Human Services project with State mental health facilities for educating participants are the only Agency Funds and the only Fiduciary Fund Types maintained by the Regional Office.

Proprietary Fund Types

- *Enterprise Funds.* The Enterprise funds account for the operation of the Teacher's Institute, Maidez Center and Registration programs. These operations are financed and operated in a manner similar to private business operations.

Teacher's Institute – The Teacher's Institute fund is authorized by Section 3-12 of the School Code (105 ILCS 5/3-12). All examination, registration and renewal fees are paid into the Teacher's Institute fund. The monies are used to defray administrative expenses incidental to teacher's institutes, workshops, or meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

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

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and fund financial statements (continued)

Maidez Center -- The Maidez Center was developed for local schools to have a low cost and high quality after-school academic program in Math and Reading. The program's creation was inspired by school requirements under the No Child Left Behind Act to provide Supplemental Educational Services (SES). Guidelines preclude a school from instituting their own program to meet the SES requirements. In addition, rural schools have limited service providers other than online services and/or expensive commercial programs. The Maidez Center is approved statewide in Illinois as an SES provider and, through local Regional Offices of Education may provide services to schools throughout Illinois; excluding Chicago Public Schools. The Maidez Center hires local school teachers and sub-contracts with local ROEs to provide implementation support. Additionally, the Maidez Center uses a web based management system to report daily student progress, provide state reporting, and to provide accountability and managerial functions of the program. Each school will be charged a fee for their participation.

Major Funds.

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

General fund (as described above)
Education fund. This fund accounts for the various revenues and expenditures related to specific programs and grants, the objective of which is the furtherance of educational development within the Region.

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

Teacher's Institute (as described above)
Registration (as described above)
Maidez Center (as described above)

D. Measurement focus, basis of accounting, and financial statement presentation

The general accounting records for the various funds of the Regional Office of Education #45 are maintained substantially on a cash basis. Revenues are recorded when cash is received and expenditures are recorded when cash payments are made. However, the accounting principles used to present the financial statements are in conformity with generally accepted accounting principles for governmental entities.

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

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement focus, basis of accounting, and financial statement presentation (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues associated with the current fiscal period, but not received before fiscal year end are reported as deferred revenue.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Proprietary fund operating revenues, such as charges for fees and services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary services.

When both restricted and unrestricted resources are available for use, it is the policy of the Regional Office of Education #45 to use restricted resources first, then unrestricted resources as needed.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. Regional Office of Education #45 has elected not to follow subsequent private-sector guidance.

The accounting policies and financial reporting practices of the Regional Office of Education #45 conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

E. Budgets and Budgetary Accounting

Overall budgeting is not a legal requirement for the Regional Office of Education. Formal budgets are not adopted for all funds; therefore budgetary comparison schedules are not required in the financial statements.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting (continued)

The Regional Office of Education acts as the administrative agent for certain grant programs most of which are accounted for within the education fund. These programs have separate budgets and are required to be reported to the Illinois State Board of Education. Additionally, budgetary comparison schedules have been provided for the grants received from the Illinois Community College Board. Comparisons of budgeted and actual results for various programs are presented as supplementary information: ROE/ISC Operations, Adult Education Federal Basic, Adult Education Public Assistance, Adult Education State Basic, Adult Education State Performance, Even Start, Regional Safe Schools, Rural Education Achievement Program, Secretary of State Community Literacy Program LASER, Truants Alternative/Optional Education, Mathematics and Science Partnership, Title I Standards Aligned Classroom Initiative, Rural Educator & Student Opportunities in Nuclear Science, Title I School Improvement System of Support, Title II Teacher Quality, Title IV Safe and Drug Free School Formula, and Title V Innovative Programs.

F. Cash Flows

For purposes of the Statement of Cash Flows, the Regional Office of Education considers all cash and all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

G. Interfund Receivable and Payable

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

H. Compensated Absences

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

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

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as they relate to governmental entities requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Prepaid Expenses

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

K. Capital Assets

Capital assets, equipment, are recorded in the applicable governmental or business-type activity columns in the government-wide financial statements. Expenditures for the acquisition are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The costs of capital assets are recorded as expenditures in the acquiring fund at the time of purchase and any proceeds from sales are recorded as receipts at the time of disposal in the governmental funds' statements for governmental activities.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at estimated fair value in the year received. Capital assets are defined by the Regional Office of Education #45 as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year.

The provision for depreciation on fixed assets is provided on a straight-line basis. Estimated useful lives are as follows:

Equipment	5-10 years
Office equipment	3-7 years

L. Fund equity

In the fund financial statements, governmental funds report restriction or reservations of fund balances that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

M. New Accounting Pronouncements

Effective for the year ending June 30, 2007, the Regional Office of Education adopted GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. There was no significant impact on the Regional Office of Education's financial statements as a result of adopting this statement.

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**STATE OF ILLINOIS
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2007 are classified in the financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 700,280
Fiduciary funds (agency funds):	
Cash and investments	<u>1,714,353</u>
Total cash and investments	<u>\$ 2,414,633</u>

Cash and investments as of June 30, 2007 consist of the following:

Deposits with financial institutions	\$ 933,449
Investments	<u>1,481,184</u>
Total cash and investments	<u>\$ 2,414,633</u>

A. Cash Deposits

At June 30, 2007, the Regional Office of Education had the following depository accounts. The Regional Office of Education does not have a deposit policy.

Insured	\$ 300,000
Collateralized	
Collateral held by pledging bank's trust department in the Regional Office of Education's name	<u>633,449</u>
Total deposits	<u>\$ 933,449</u>

Custodial Credit Risk – Deposits

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

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NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2: CASH AND INVESTMENTS (continued)

B. Investments

As of June 30, 2007 the Regional Office of Education had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificate of Deposit	7/05/2007	\$ 78,853
Certificate of Deposit	8/27/2007	12,887
Certificate of Deposit	9/13/2007	10,129
Certificate of Deposit	2/18/2008	10,374
Certificate of Deposit	3/11/2008	3,615
Certificate of Deposit	3/20/2008	10,379
Certificate of Deposit	4/18/2008	30,368
Certificate of Deposit	6/19/2008	53,827
Certificate of Deposit	6/19/2008	10,771
Certificate of Deposit	6/19/2008	59,981
Certificate of Deposit	6/19/2008	200,000
Certificate of Deposit	5/31/2008	<u>1,000,000</u>
		<u>\$1,481,184</u>

Interest Rate Risk

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

Credit Risk

The Regional Office of Education is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6); and Section 8-7 of the School Code. The Regional Office of Education has no investment policy that would further limit its investment choices. As of June 30, 2007 the Regional Office of Education was in compliance with these guidelines.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of a financial institution, the Regional Office of Education will not be able to recover its investments or will not be able to recover collateral securities that are in the possession of an outside party.

As of June 30, 2007 the government-wide and agency fund investments were secured by federal depository insurance of \$116,503. The government-wide remaining investments were collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education's name.

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**STATE OF ILLINOIS
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For the Year Ended June 30, 2007**

NOTE 2: CASH AND INVESTMENTS (continued)

B. Investments (continued)

Concentration of Credit Risk

The Regional Office of Education places no limit on the amount invested in any one issuer. All of the Regional Office of Education's investments, including the agency fund, are in Certificates of Deposits with First Bank (\$10,374), Chester National Bank (\$3,615), Buena Vista (\$30,368), Commercial State (\$12,887) and First National Bank of Waterloo (\$1,423,939).

NOTE 3: CAPITAL ASSETS

Governmental Activities

Capital asset activity for fiscal year 2007 was as follows:

	<u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2007</u>
Assets being depreciated:				
Equipment	\$ 288,253	\$ 4,697	\$ 37,584	\$ 255,366
Less Accumulated Depreciation:	\$ 226,523	\$ 19,261	\$ 37,546	\$ 208,238
Governmental activity capital assets, net	<u>\$ 61,730</u>	<u>\$ (14,564)</u>	<u>\$ (38)</u>	<u>\$ 47,128</u>

At June 30, 2007, assets of approximately \$174,725 included above are assets funded from federal and State grants administered by the Regional Office of Education #45.

Depreciation was charged to the Instructional Services activity.

Business-type activities – Enterprise Fund

	<u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2007</u>
Equipment	\$ -	\$ -	\$ -	\$ -

The enterprise funds utilize certain governmental funds' equipment and facilities in its operation. Accordingly, the enterprise funds were levied an internal service charge of \$3,500 for facilities and equipment usage during fiscal year 2007.

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NOTE 4: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances have resulted from short-term borrowings and interfund charges not yet reimbursed as of the end of the reporting period. The composition of the interfund balances at June 30, 2007 is as follows:

Fund	Receivable Fund/Account	Payable Fund/Account
General		
Office Account - Chester Office	\$ 23,528	\$ -
Office Account - Waterloo Office	38,615	-
Education Fund		
Chester Office		
Secretary of State Community Literacy - LASER	-	23,528
Waterloo Office		
Mathematics & Science Partnership	-	<u>10,000</u>
Totals - governmental	<u>\$ 62,143</u>	<u>\$ 33,528</u>
Enterprise funds	<u>-</u>	<u>28,615</u>
	<u>\$ 62,143</u>	<u>\$ 62,143</u>

Transfers between governmental funds reflect the use of changes in funding sources. There were no interfund transfers during fiscal year 2007.

NOTE 5: DUE TO/FROM OTHER GOVERNMENTAL UNITS

The Regional Office of Education #45's Education Fund has funds due from (to) various other governmental units. The due from consist of the following:

STATE:	
Secretary of State – Illinois State Library	\$ 23,569
Illinois State Board of Education	<u>5</u>
	<u>23,574</u>
OTHER:	
St. Clair County	1,283
Local sources	<u>1,078</u>
	<u>2,361</u>
Totals	<u>\$ 25,935</u>

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NOTE 5: DUE TO/FROM OTHER GOVERNMENTAL UNITS (continued)

The due (to) consist of the following:

AGENCY FUNDS	
State of Illinois	\$ 1,714,353

NOTE 6: RETIREMENT FUND COMMITMENTS

The Regional Office participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards, are members of IMRF. The Regional Office's payroll for the year ended June 30, 2007 was \$574,274; of which \$272,136 was reported to TRS and \$233,129 was reported to IMRF.

A. Teachers' Retirement System of the State of Illinois

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

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2007 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer.

In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.6 percent during the year ended June 30, 2007 and the member THIS Fund health insurance contribution was 0.80 percent.

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

- **On-behalf contribution.** The State of Illinois makes employer pension contributions on behalf of the Regional Office. For the year ended June 30, 2007, State of Illinois contributions were based on 9.78 percent of creditable earnings, and the Regional Office recognized revenues and expenditures of \$42,361 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2006 and June 30, 2005, the State of Illinois contribution rates as percentages of creditable earnings were 7.06 percent (\$33,585) and 11.76 percent (\$58,574), respectively.

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NOTE 6: RETIREMENT FUND COMMITMENTS (CONTINUED)

A. Teachers' Retirement System of the State of Illinois (Continued)

The state contributions to TRS for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined. The state contributions for the year ended June 30, 2005 were based on an actuarial formula.

The Regional Office makes three other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the year ended June 30, 2007 were \$1,578. Contributions for the years ending June 30, 2006, and June 30, 2005 were \$1,825 and \$1,955, respectively.
- **Federal and trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office, there is a statutory requirement for the Regional Office 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 trust funds will be the same as the state contribution rate to the TRS.

For the year ended June 30, 2007, the employer pension contribution was 9.78 percent of salaries paid from federal and trust funds. For the year ended June 30, 2006, the employee contribution was 7.06 percent of salaries paid from federal and trust funds. For the year ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2007, salaries totaling \$104,408 were paid from federal and trust funds that required employer contributions of \$10,211. For the years ended June 30, 2006 and June 30, 2005, required Regional Office contributions were \$10,820 and \$17,163, respectively.

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

Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO).

Under the ERO program that expired on June 30, 2005 and the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average salary calculation.

Under the Modified ERO, the maximum employer contribution is 117.5 percent.

See independent auditors' report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 6: RETIREMENT FUND COMMITMENTS (CONTINUED)

A. Teachers' Retirement System of the State of Illinois (Continued)

Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement.

For the year ended June 30, 2007, the district paid \$24,151 to TRS for employer contributions under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2006 and June 30, 2005, the Regional Office paid \$19,835 and \$0 in employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS.
 - If 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, 2007, the Regional Office paid \$0 to TRS for employer contributions due to salary increases in excess of 6 percent. For the year ended June 30, 2006, the Regional Office paid \$0 in employer contributions due to salary increases in excess of 6 percent.

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.6 percent of salary during the year ended June 30, 2007).

For the year ended June 30, 2007 the Regional Office paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2006, the Regional Office paid \$0 in employer contributions granted for sick leave days.

Further information

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, 2006. The report for the year ended June 30, 2007 is expected to be available in late 2007.

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

See independent auditors' report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 6: RETIREMENT FUND COMMITMENTS (CONTINUED)

B. Illinois Municipal Retirement Fund

The Regional Office's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs-homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Regional Office is required to contribute at an actuarially determined rate. The Regional Office rate for calendar year 2006 was 13.59 percent of payroll. The Regional Office contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 5 years.

For December 31, 2006, the Regional Office's annual pension cost of \$31,571 was equal to the Regional Office's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002 - 2004 experience study.

See independent auditors' report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 6: RETIREMENT FUND COMMITMENTS (CONTINUED)

B. Illinois Municipal Retirement Fund (continued)

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/06	\$ 31,571	100%	\$ 0
12/31/05	26,398	100%	0
12/31/04	6,434	100%	0
12/31/03	2,806	100%	0
12/31/02	2,653	100%	0
12/31/01	23,995	100%	0
12/31/00	12,735	100%	0
12/31/99	36,517	100%	0
12/31/98	29,319	100%	0
12/31/97	30,292	100%	0

Schedule of Funding Progress

Schedule of Funding Progress gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Schedule of Funding Progress for the past ten years is reported as required supplementary information.

C. Social Security

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees are covered under Social Security. The Regional Office contributions for the years ended June 30, 2007 and June 30, 2006 were \$14,939 and \$16,123, respectively.

NOTE 7: ON-BEHALF PAYMENTS

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

Regional Superintendent Salary	\$ 84,737
Assistant Regional Superintendent Salary	76,263
Regional Superintendent Fringe Benefit (includes all State paid insurance)	18,388
Assistant Regional Superintendent Fringe Benefit (includes all State paid insurance)	10,442
Teacher's Retirement System	42,361
Total	<u>\$ 232,191</u>

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

See independent auditors' report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 8: COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Regional Office receives grant funds from various federal and state agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

In addition, the fiscal year June 30, 1996 audit report on the financial statements of the Regional Office has not yet been finalized. It is reasonably possible that liabilities arising from fiscal year June 30, 1996 exist and are not recorded on the June 30, 2007 financial statements.

Significant losses are covered by commercial insurance for all major programs: property, liability, and workman's compensation. During the year ended June 30, 2007 there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

NOTE 9: DISTRIBUTIVE FUND INTEREST

A written agreement between the region's school boards, which receive funds through the Regional Office of Education, and the Regional Office of Education, provide for the retention of interest earned on the State Distributive Fund checking account by the Regional Superintendent to be used for the benefit of all of the districts in the region. During the year the distributive fund earned interest of \$315. At June 30, 2007 all accumulated interest earned had been distributed.

NOTE 10: OPERATING LEASES

Lease 1: On November 20, 2006 the Regional Office of Education entered into a one year lease agreement with Monroe County, IL for rental of 107 East Mill Street, Waterloo (Waterloo Regional Office building) beginning December 1, 2006 and terminating November 30, 2007. The lease is payable in monthly installments of \$1,800. Lease expense for the office building for fiscal year 2007 was \$21,600.

Lease 2: On March 27, 2002 the Regional Office of Education entered into a lease agreement with Pitney Bowes for 5 years and 3 months for a postage meter held at the Chester office. The lease is payable in quarterly payments of \$135, beginning March 2002. The lease was cancelled September 29, 2006 and a prorated charge of \$118 was made for the period July 1, 2006 to September 29, 2006. On August 8, 2006 the Regional Office of Education entered into a new lease agreement with Pitney Bowes for a new postage meter held at the Chester office for 4 years beginning October 1, 2006 through September 30, 2010. The new lease is payable in quarterly payments of \$155. Total lease expense for fiscal year 2007 was \$582.

Lease 3: On April 14, 2005 the Regional Office of Education entered into a lease agreement with St. Patrick Catholic Church of Ruma, IL for rental of the building known as "brick school" for two years beginning July 1, 2005 and terminating June 30, 2007. The lease was extended for one year through June 30, 2008 at \$875 per month. Lease expense for the brick school for fiscal year 2007 was \$10,500.

See independent auditors' report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 10: OPERATING LEASES (continued)

Lease 4: On February 18, 2005 the Regional Office of Education entered into a lease agreement with Canon Financial Services for rental of a copier kept at the Chester office building for 5 years beginning March 1, 2005 and terminating February 28, 2010. The lease is payable in monthly installments of \$376 of which approximately 10 percent is reimbursed by another governmental entity. Lease expense for the copier for fiscal year 2007 was \$3,933.

Lease 5: On February 8, 2005 the Regional Office of Education entered into a lease agreement with Canon Financial Services for rental of a copier kept at the Waterloo office building for 5 years beginning March 1, 2005 and terminating February 28, 2010. The lease is payable in monthly installments of \$376. Lease expense for the copier for fiscal year 2007 was \$4,512.

Lease 6: On April 28, 2001 the Regional Office of Education entered into a lease agreement with Citicapital for rental of a copier kept at the Red Brick School for 5 years beginning May 1, 2001 and terminating April 30, 2006. The lease was extended through June 30, 2007. The lease is payable in monthly installments of \$342. Lease expense for the copier for fiscal year 2007 was \$4,104. In August 2007 a new lease was negotiated for 5 years beginning September 1, 2007 through August 31, 2012. The new lease is payable in monthly installments of \$205.

Lease 7: On August 1, 1999 the Regional Office of Education entered into a lease agreement with Hillside Storage Rentals for rental of storage stall in Chester. The lease is payable on a monthly basis. From August 1, 1999 through December 31, 2006, the monthly rental was \$35. As of January 1, 2007, the monthly rental fee was \$40. Rent expense for the storage unit for fiscal year 2007 was \$455.

Lease 8: On August 1, 2002 the Regional Office of Education entered into a lease agreement with Pitney Bowes for 5 years and 3 months for a postage meter held at the Waterloo Office. The lease is payable in quarterly payments of \$210. The lease expense for fiscal year 2007 was \$840. The lease was cancelled in August 2007 and a new lease for a new meter was entered into on August 18, 2007 for 5 years and 3 months. The new lease is payable in quarterly payments of \$180, beginning September 1, 2007 through December 30, 2012.

Minimum future rental payments under non-cancelable leases having remaining terms in excess of 1 year as of June 30, 2007 for each of the next five years in the aggregate are:

Year Ended June 30	
2008	\$ 12,414
2009	12,823
2010	9,815
2011	3,334
2012	3,179
2013 & years later	<u>590</u>
	<u>\$ 42,155</u>

See independent auditors' report.

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

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2007**

**Schedule of Funding Progress
Illinois Municipal Retirement Fund
UNAUDITED**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) ---Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/06	845,809	872,570	26,761	96.93%	232,308	11.52%
12/31/05	852,106	916,375	64,269	92.99%	271,582	23.66%
12/31/04	967,359	1,034,851	67,492	93.48%	293,785	22.97%
12/31/03	1,023,918	1,020,797	(3,121)	100.31%	308,398	0.00%
12/31/02	1,128,598	1,012,448	(116,150)	111.47%	294,746	0.00%
12/31/01	1,125,697	914,157	(211,540)	123.14%	301,069	0.00%
12/31/00	1,008,886	782,926	(225,960)	128.86%	326,551	0.00%
12/31/99	889,654	840,017	(49,637)	105.91%	465,192	0.00%
12/31/98	712,899	686,746	(26,153)	103.81%	384,263	0.00%
12/31/97	615,592	601,124	(14,468)	102.41%	363,907	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2006 is \$934,784. On a market basis, the funded ratio would be 107.13%.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 Experience Study.

The principal changes were:

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

SLEP Member contribution rate changed from 6.5% to 7.5% effective June 1, 2006.

See notes to the financial statements and the independent auditor's report.

SUPPLEMENTARY INFORMATION

Combining and Individual Fund

Statements and Schedules

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007**

The following schedules provide additional detail on balances and activities of Regional Office of Education #45 government and its operations.

Major Funds

The general fund and the education funds are comprised of various fund accounts that provide additional control and information about specific resources and expenditures of these funds. More detailed schedules of the general fund and the education fund have been provided.

Nonmajor Funds

Nonmajor governmental funds consist of all special revenue funds which are not included in the education fund. Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. Schedules have been provided for all nonmajor special revenue funds.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2007**

	Office Account		ROE/ISC Operations	County Account	Total
	Chester	Waterloo	Waterloo	Waterloo	
ASSETS					
Cash and cash equivalents	\$ 48,998	\$ 81,806	\$ 1	\$ 45,358	\$ 176,163
Investments	-	107,365	-	-	107,365
Internal balances	23,528	38,615	-	-	62,143
Due from other governments					
State	-	-	-	-	-
Other	-	1,078	-	-	1,078
Prepaid expenses	-	5,949	-	-	5,949
TOTAL ASSETS	<u>\$ 72,526</u>	<u>\$ 234,813</u>	<u>\$ 1</u>	<u>\$ 45,358</u>	<u>\$ 352,698</u>
LIABILITIES					
Accounts Payable	\$ 10	\$ -	\$ -	\$ 241	\$ 251
Accrued wages and benefits	-	1,003	-	-	1,003
Internal balances	-	-	-	-	-
Due to other governments					
State	-	-	-	-	-
Deferred revenue	-	-	1	-	1
Total liabilities	<u>10</u>	<u>1,003</u>	<u>1</u>	<u>241</u>	<u>1,255</u>
FUND BALANCE					
Reserved for:					
Encumbrances	-	-	-	-	-
Unreserved, reported in:					
General fund	72,516	233,810	-	45,117	351,443
Total fund balance	<u>72,516</u>	<u>233,810</u>	<u>-</u>	<u>45,117</u>	<u>351,443</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 72,526</u>	<u>\$ 234,813</u>	<u>\$ 1</u>	<u>\$ 45,358</u>	<u>\$ 352,698</u>

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2007

	Office Account		ROE/ISC Operations	County Account	Total
	Chester	Waterloo	Waterloo	Waterloo	
Revenues					
Local sources	\$ 172	\$ 95,153	\$ -	\$ 172,936	\$ 268,261
State sources	-	-	68,820	-	68,820
State sources - payments made on behalf of regional office	-	232,191	-	-	232,191
Interest income	484	6,356	231	372	7,443
Total revenues	656	333,700	69,051	173,308	576,715
Expenditures					
Salaries	-	44,141	42,679	82,453	169,273
Employee benefits	13,306	12,800	11,048	33,988	71,142
Purchased services	101	32,573	14,219	44,199	91,092
Supplies and materials	546	2,479	874	6,116	10,015
Capital outlay	-	3,198	-	-	3,198
Other	10	-	231	57	298
Payments made by state on behalf of regional office	-	232,191	-	-	232,191
Total expenditures	13,963	327,382	69,051	166,813	577,209
Excess (deficiency) of revenues over expenditures	(13,307)	6,318	-	6,495	(494)
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other sources and uses of financial resources	-	-	-	-	-
Net change in fund balances	(13,307)	6,318	-	6,495	(494)
Fund balance - beginning of year	85,823	227,492	-	38,622	351,937
Fund balance - end of year	\$ 72,516	\$ 233,810	\$ -	\$ 45,117	\$ 351,443

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
ROE/ISC OPERATIONS
For the Year Ended June 30, 2007

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 68,820	\$ 68,820	\$ -
Interest income	-	231	231
Total revenues	68,820	69,051	231
Expenditures			
Salaries	42,987	42,679	308
Employee benefits	9,875	11,048	(1,173)
Purchased services	14,312	14,219	93
Supplies and materials	1,171	874	297
Capital outlay	-	-	-
Other	475	231	244
Total expenditures	68,820	69,051	(231)
Net change in fund balances	\$ -	-	\$ -
Fund balance - beginning of year		-	
Fund balance - end of year		\$ -	

See notes to the financial statements and independent auditor's report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2007**

	Education Fund		
	Chester	Waterloo	Total
ASSETS			
Cash and cash equivalents	\$ 128,819	\$ 21,468	\$ 150,287
Investments	109,221	-	109,221
Internal balances	-	-	-
Due from other governments			
State	23,574	-	23,574
Other	-	1,283	1,283
Prepaid expenses	-	-	-
TOTAL ASSETS	<u>\$ 261,614</u>	<u>\$ 22,751</u>	<u>\$ 284,365</u>
LIABILITIES			
Accounts payable	\$ 1,679	\$ -	\$ 1,679
Accrued wages and benefits	-	-	-
Internal balances	23,528	10,000	33,528
Due to other governments			
State	-	-	-
Deferred revenue	16,349	1,046	17,395
Total liabilities	<u>41,556</u>	<u>11,046</u>	<u>52,602</u>
FUND BALANCE			
Reserved for:			
Encumbrances	-	-	-
Restricted	220,058	11,705	231,763
Total fund balance	<u>220,058</u>	<u>11,705</u>	<u>231,763</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 261,614</u>	<u>\$ 22,751</u>	<u>\$ 284,365</u>

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2007

	Education Fund		
	Chester	Waterloo	Total
Revenues			
Local sources	\$ 15,388	\$ 6,843	\$ 22,231
State sources	348,808	1,587	350,395
Federal sources	139,660	79,779	219,439
Interest income	4,754	272	5,026
Total revenues	<u>508,610</u>	<u>88,481</u>	<u>597,091</u>
Expenditures			
Salaries	331,803	48,126	379,929
Employee benefits	66,023	9,006	75,029
Purchased services	60,029	18,548	78,577
Supplies and materials	25,043	15,328	40,371
Capital outlay	1,499	-	1,499
Other	48	95	143
Total expenditures	<u>484,445</u>	<u>91,103</u>	<u>575,548</u>
Excess (deficiency) of revenues over expenditures	24,165	(2,622)	21,543
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	24,165	(2,622)	21,543
Fund balance - beginning of year	<u>195,893</u>	<u>14,327</u>	<u>210,220</u>
Fund balance - end of year	<u>\$ 220,058</u>	<u>\$ 11,705</u>	<u>\$ 231,763</u>

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
CHESTER OFFICE
June 30, 2007

	Adult Education Programs	Adult Education Supplemental Funding - Family Visitation Center	Even Start	Regional Safe Schools
ASSETS				
Cash and cash equivalents	\$ 1,506	\$ 1,828	\$ 16,536	\$ 108,936
Investments	-	-	-	109,221
Internal balances	-	-	-	-
Due from other governments				
State	-	-	-	5
Other	-	-	-	-
Prepaid expenses	-	-	-	-
TOTAL ASSETS	\$ 1,506	\$ 1,828	\$ 16,536	\$ 218,162
LIABILITIES				
Accounts payable	1,506	2	16	108
Accrued wages and benefits	-	-	-	-
Internal balances	-	-	-	-
Due to other governments				
State	-	-	-	-
Deferred revenue	-	1,713	14,629	-
Total liabilities	<u>1,506</u>	<u>1,715</u>	<u>14,645</u>	<u>108</u>
FUND BALANCE				
Reserved for:				
Encumbrances	-	-	-	-
Restricted	-	113	1,891	218,054
Total fund balance	<u>-</u>	<u>113</u>	<u>1,891</u>	<u>218,054</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,506	\$ 1,828	\$ 16,536	\$ 218,162

See notes to the financial statements and independent auditor's report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
CHESTER OFFICE
June 30, 2007**

	Rural Education Achievement Program	Secretary of State Community Literacy Program - LASER	Truants Alternative/ Optional Education	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 13	\$ 128,819
Investments	-	-	-	109,221
Internal balances	-	-	-	-
Due from other governments				-
State	-	23,569	-	23,574
Other	-	-	-	-
Prepaid Expenses	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 23,569</u>	<u>\$ 13</u>	<u>\$ 261,614</u>
LIABILITIES				
Accounts payable	-	41	6	1,679
Accrued wages and benefits	-	-	-	-
Internal balances	-	23,528	-	23,528
Due to other governments				-
State	-	-	-	-
Deferred revenue	-	-	7	16,349
Total liabilities	<u>-</u>	<u>23,569</u>	<u>13</u>	<u>41,556</u>
FUND BALANCE				
Reserved for:				
Encumbrances	-	-	-	-
Restricted	-	-	-	220,058
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,058</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 23,569</u>	<u>\$ 13</u>	<u>\$ 261,614</u>

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
For the Year Ended June 30, 2007

	Adult Education Programs	Adult Education Supplemental Funding - Family Visitation Center	Even Start	Regional Safe Schools
Revenues				
Local sources	\$ -	\$ 2	\$ -	\$ 15,386
State sources	67,646	-	-	216,347
Federal sources	50,684	-	60,692	2,270
Interest income	9	-	272	4,467
Total revenues	<u>118,339</u>	<u>2</u>	<u>60,964</u>	<u>238,470</u>
Expenditures				
Salaries	78,161	-	46,246	141,510
Employee benefits	15,668	-	19,780	21,629
Purchased services	11,826	-	4,855	30,820
Supplies and materials	11,176	2	721	9,675
Capital outlay	1,499	-	-	-
Other	9	-	17	16
Total expenditures	<u>118,339</u>	<u>2</u>	<u>71,619</u>	<u>203,650</u>
Excess (deficiency) of revenues over expenditures	-	-	(10,655)	34,820
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(10,655)	34,820
Fund Balance - beginning of year	<u>-</u>	<u>113</u>	<u>12,546</u>	<u>183,234</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ 113</u>	<u>\$ 1,891</u>	<u>\$ 218,054</u>

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
For the Year Ended June 30, 2007

	Rural Education Achievement Program	Secretary of State Community Literacy Program - LASER	Truants Alternative/ Optional Education	Total
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ 15,388
State sources	-	30,000	34,815	348,808
Federal sources	26,014	-	-	139,660
Interest income	-	-	6	4,754
Total revenues	<u>26,014</u>	<u>30,000</u>	<u>34,821</u>	<u>508,610</u>
Expenditures				
Salaries	18,261	20,000	27,625	331,803
Employee benefits	7,454	290	1,202	66,023
Purchased services	299	6,254	5,975	60,029
Supplies and materials	-	3,456	13	25,043
Capital outlay	-	-	-	1,499
Other	-	-	6	48
Total expenditures	<u>26,014</u>	<u>30,000</u>	<u>34,821</u>	<u>484,445</u>
Excess (deficiency) of revenues over expenditures	-	-	-	24,165
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	24,165
Fund Balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,893</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,058</u>

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
ADULT EDUCATION PROGRAMS
CHESTER OFFICE
June 30, 2007

	Federal Basic (FY 2007)	Public Assistance (FY 2007)	State Basic (FY 2007)	State Performance (FY 2007)	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 11	\$ 27	\$ 1,468	\$ 1,506
Investments	-	-	-	-	-
Internal balances	-	-	-	-	-
Due from other governments:					
State	-	-	-	-	-
Other	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ 11	\$ 27	\$ 1,468	\$ 1,506
LIABILITIES					
Accounts payable	\$ -	\$ 11	\$ 27	\$ 1,468	\$ 1,506
Accrued wages and benefits	-	-	-	-	-
Internal balances	-	-	-	-	-
Due to other governments					
State	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	-	11	27	1,468	1,506
FUND BALANCE					
Reserved for:					
Encumbrances	-	-	-	-	-
Restricted	-	-	-	-	-
Total fund balance	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ 11	\$ 27	\$ 1,468	\$ 1,506

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION PROGRAMS
CHESTER OFFICE
For the Year Ended June 30, 2007

	Federal Basic (FY 2007)	Public Assistance (FY 2007)	State Basic (FY 2007)	State Performance (FY 2007)	Total
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	2,604	48,971	16,071	67,646
Federal sources	50,684	-	-	-	50,684
Interest income	-	1	-	8	9
Total revenues	<u>50,684</u>	<u>2,605</u>	<u>48,971</u>	<u>16,079</u>	<u>118,339</u>
Expenditures					
Salaries	37,799	1,420	35,269	3,673	78,161
Employee benefits	8,912	149	5,611	996	15,668
Purchased services	3,215	584	3,710	4,317	11,826
Supplies and materials	758	451	4,381	5,586	11,176
Capital outlay	-	-	-	1,499	1,499
Other	-	1	-	8	9
Total expenditures	<u>50,684</u>	<u>2,605</u>	<u>48,971</u>	<u>16,079</u>	<u>118,339</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-
Fund Balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION PROGRAMS - FEDERAL BASIC
For the Year Ended June 30, 2007

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal sources	\$ 50,684	\$ 50,684	\$ -
Interest income	-	-	-
Total revenues	50,684	50,684	-
Expenditures			
Salaries	37,820	37,799	21
Employee benefits	7,845	8,912	(1,067)
Purchased services	3,741	3,215	526
Supplies and materials	1,278	758	520
Other	-	-	-
Total expenditures	50,684	50,684	-
Net change in fund balance	\$ -	-	\$ -
Fund balance - beginning of year		-	
Fund balance - end of year		\$ -	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION PROGRAMS - PUBLIC ASSISTANCE
For the Year Ended June 30, 2007

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 2,604	\$ 2,604	\$ -
Interest income	-	1	1
Total revenues	2,604	2,605	1
Expenditures			
Salaries	1,000	1,420	(420)
Employee benefits	21	149	(128)
Purchased services	1,190	584	606
Supplies and materials	393	451	(58)
Other	-	1	(1)
Total expenditures	2,604	2,605	(1)
Net change in fund balance	\$ -	-	\$ -
Fund balance - beginning of year		-	
Fund balance - end of year		\$ -	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION PROGRAMS - STATE BASIC
For the Year Ended June 30, 2007

Chester Office

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State sources	\$ 48,971	\$ 48,971	\$ -
Interest income	-	-	-
Total revenues	<u>48,971</u>	<u>48,971</u>	<u>-</u>
Expenditures			
Salaries	39,046	35,269	3,777
Employee benefits	5,606	5,611	(5)
Purchased services	2,962	3,710	(748)
Supplies and materials	1,357	4,381	(3,024)
Other	-	-	-
Total expenditures	<u>48,971</u>	<u>48,971</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION PROGRAMS - STATE PERFORMANCE
For the Year Ended June 30, 2007

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 16,071	\$ 16,071	\$ -
Interest income	-	8	8
	16,071	16,079	8
Expenditures			
Salaries	7,764	3,673	4,091
Employee benefits	929	996	(67)
Purchased services	4,475	4,317	158
Supplies and materials	2,903	5,586	(2,683)
Capital outlay	-	1,499	(1,499)
Other	-	8	(8)
	16,071	16,079	(8)
Net change in fund balance	\$ -	-	\$ -
Fund balance - beginning of year		-	
Fund balance - end of year		\$ -	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
EVEN START
For the Year Ended June 30, 2007

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources	\$ -	\$ -	\$ -
Federal sources	78,702	60,692	(18,010)
Interest income	-	272	272
	78,702	60,964	(17,738)
Total revenues	78,702	60,964	(17,738)
Expenditures			
Salaries	47,901	46,246	1,655
Employee benefits	8,567	19,780	(11,213)
Purchased services	14,263	4,855	9,408
Supplies and materials	7,971	721	7,250
Other	-	17	(17)
	78,702	71,619	7,083
Total expenditures	78,702	71,619	7,083
Net change in fund balance	\$ -	(10,655)	\$ (10,655)
Fund balance - beginning of year		12,546	
Fund balance - end of year		\$ 1,891	

See notes to the financial statements and independent auditor's report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS
For the Year Ended June 30, 2007**

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources	\$ 9,293	\$ 15,386	\$ 6,093
State sources	216,249	216,347	98
Federal sources	-	2,270	2,270
Interest income	-	4,467	4,467
	225,542	238,470	12,928
Expenditures			
Salaries	155,708	141,510	14,198
Employee benefits	32,973	21,629	11,344
Purchased services	28,002	30,820	(2,818)
Supplies and materials	8,859	9,675	(816)
Capital outlay	-	-	-
Other	-	16	16
	225,542	203,650	21,924
Net change in fund balance	\$ -	34,820	\$ 34,852
Fund balance - beginning of year		183,234	
Fund balance - end of year		\$ 218,054	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
RURAL EDUCATION ACHIEVEMENT PROGRAM
For the Year Ended June 30, 2007

Chester Office

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal sources	\$ 26,014	\$ 26,014	\$ -
Interest income	-	-	-
Total revenues	<u>26,014</u>	<u>26,014</u>	<u>-</u>
Expenditures			
Salaries	18,261	18,261	-
Employee benefits	7,454	7,454	-
Purchased services	299	299	-
Supplies and materials	-	-	-
Other	-	-	-
Total expenditures	<u>26,014</u>	<u>26,014</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
SECRETARY OF STATE COMMUNITY LITERACY PROGRAM LASER
For the Year Ended June 30, 2007

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 30,000	\$ 30,000	\$ -
Interest income	-	-	-
	30,000	30,000	-
Total revenues	30,000	30,000	-
Expenditures			
Salaries	21,071	20,000	1,071
Employee benefits	1,113	290	823
Purchased services	1,000	6,254	(5,254)
Supplies & materials	2,650	3,456	(806)
Other	4,166	-	4,166
	30,000	30,000	-
Total expenditures	30,000	30,000	-
Excess (deficiency) of revenues over expenditures	\$ -	-	\$ -
Other financing sources (uses)			
Transfers in		-	
Transfers out		-	
Net other sources and uses of financial resources		-	
Net change in fund balance		-	
Fund balance - beginning of year		-	
Fund balance - end of year		\$ -	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
For the Year Ended June 30, 2007

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 34,822	\$ 34,815	\$ (7)
Interest income	-	6	6
Total revenues	34,822	34,821	(1)
Expenditures			
Salaries	27,000	27,625	(625)
Employee benefits	1,200	1,202	(2)
Purchased services	6,411	5,975	436
Supplies and materials	211	13	198
Other	-	6	(6)
Total expenditures	34,822	34,821	1
Net change in fund balance	\$ -	-	\$ -
Fund balance - beginning of year		-	
Fund balance - end of year		\$ -	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
WATERLOO OFFICE
June 30, 2007

	Mathematics and Science Partnership (FY 2007)	Mathematics and Science Partnership (FY 2006)	Film Co-op	Red Bud Community Project	Title I Standards Aligned Classroom Initiative
ASSETS					
Cash and cash equivalents	\$ 8,733	\$ -	\$ 5,827	\$ 5,236	\$ -
Investments	-	-	-	-	-
Internal balances	-	-	-	-	-
Due from other governments					
State	-	-	-	-	-
Other	1,283	-	-	-	-
Prepaid expenses	-	-	-	-	-
TOTAL ASSETS	\$ 10,016	\$ -	\$ 5,827	\$ 5,236	\$ -
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-
Internal balances	10,000	-	-	-	-
Due to other governments					
State	-	-	-	-	-
Deferred revenue	16	-	-	-	-
Total liabilities	<u>10,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Reserved for:					
Encumbrances	-	-	-	-	-
Restricted	-	-	5,827	5,236	-
Total fund balance	<u>-</u>	<u>-</u>	<u>5,827</u>	<u>5,236</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,016	\$ -	\$ 5,827	\$ 5,236	-

See notes to the financial statements and independent auditor's report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
WATERLOO OFFICE
June 30, 2007**

	Student Assistance Program Mini Grant	Rural Educator & Student Opportunities in Nuclear Science	We the People Citizen Project	Title I School Improvement System of Support (FY 2006)
ASSETS				
Cash and cash equivalents	\$ 1,027	\$ -	\$ 642	\$ -
Investments	-	-	-	-
Internal balances	-	-	-	-
Due from other governments				
State	-	-	-	-
Other	-	-	-	-
Prepaid expenses	-	-	-	-
TOTAL ASSETS	\$ 1,027	\$ -	\$ 642	\$ -
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Internal balances	-	-	-	-
Due to other governments				
State	-	-	-	-
Deferred revenue	1,027	-	-	-
Total liabilities	1,027	-	-	-
FUND BALANCE				
Reserved for:				
Encumbrances	-	-	-	-
Restricted	-	-	642	-
Total fund balance	-	-	642	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,027	\$ -	\$ 642	\$ -

See notes to the financial statements and independent auditor's report.

**STATE OF ILLINOIS
 REGIONAL OFFICE OF EDUCATION #45
 MONROE AND RANDOLPH COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 WATERLOO OFFICE
 June 30, 2007**

	Title II Teacher Quality	Title IV Safe and Drug Free School Formula	Title V Innovative Programs	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 3	\$ -	\$ 21,468
Investments	-	-	-	-
Internal balances	-	-	-	-
Due from other governments				-
State	-	-	-	-
Other	-	-	-	1,283
Prepaid expenses	-	-	-	-
TOTAL ASSETS	\$ -	\$ 3	\$ -	\$ 22,751
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Internal balances	-	-	-	10,000
Due to other governments				-
State	-	-	-	-
Deferred revenue	-	3	-	1,046
Total liabilities	-	3	-	11,046
FUND BALANCE				
Reserved for:				
Encumbrances	-	-	-	-
Restricted	-	-	-	11,705
Total fund balance	-	-	-	11,705
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ 3	\$ -	\$ 22,751

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
For the Year Ended June 30, 2007

	Mathematics and Science Partnership (FY 2007)	Mathematics and Science Partnership (FY 2006)	Film Co-op	Red Bud Community Project	Title I Standards Aligned Classroom Initiative
Revenues					
Local sources	\$ -	\$ -	\$ 3,995	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	17,968	15,006	-	-	19,408
Interest income	-	23	109	61	43
Total revenues	<u>17,968</u>	<u>15,029</u>	<u>4,104</u>	<u>61</u>	<u>19,451</u>
Expenditures					
Salaries	11,914	5,468	3,023	-	11,433
Employee benefits	3,017	1,325	231	-	2,518
Purchased services	2,388	474	3,048	-	2,392
Supplies and materials	649	7,706	1,081	-	3,069
Capital outlay	-	-	-	-	-
Other	-	56	-	-	39
Total expenditures	<u>17,968</u>	<u>15,029</u>	<u>7,383</u>	<u>-</u>	<u>19,451</u>
Excess (deficiency) of revenues over expenditures	-	-	(3,279)	61	-
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(3,279)	61	-
Fund Balance - beginning of year	<u>-</u>	<u>-</u>	<u>9,106</u>	<u>5,175</u>	<u>-</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,827</u>	<u>\$ 5,236</u>	<u>\$ -</u>

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
For the Year Ended June 30, 2007

	Student Assistance Program Mini Grant	Rural Educator & Student Opportunities in Nuclear Science	We the People Citizen Project	Title I School Improvement System of Support (FY 2006)
Revenues				
Local sources	\$ 2,848	\$ -	\$ -	\$ -
State sources	-	-	1,587	-
Federal sources	-	5,250	7,300	12,884
Interest income	24	-	12	-
Total revenues	<u>2,872</u>	<u>5,250</u>	<u>8,899</u>	<u>12,884</u>
Expenditures				
Salaries	-	-	5,230	11,058
Employee benefits	-	-	491	1,424
Purchased services	2,143	3,966	2,026	402
Supplies and materials	729	1,284	556	-
Capital outlay	-	-	-	-
Other	-	-	-	-
Total expenditures	<u>2,872</u>	<u>5,250</u>	<u>8,303</u>	<u>12,884</u>
Excess (deficiency) of revenues over expenditures	-	-	596	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	596	-
Fund Balance - beginning of year	<u>-</u>	<u>-</u>	<u>46</u>	<u>-</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 642</u>	<u>\$ -</u>

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
For the Year Ended June 30, 2007

	Title II Teacher Quality	Title IV Safe and Drug Free School Formula	Title V Innovative Programs	Total
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ 6,843
State sources	-	-	-	1,587
Federal sources	1,530	254	179	79,779
Interest income	-	-	-	272
Total revenues	<u>1,530</u>	<u>254</u>	<u>179</u>	<u>88,481</u>
Expenditures				
Salaries	-	-	-	48,126
Employee benefits	-	-	-	9,006
Purchased services	1,530	-	179	18,548
Supplies and materials	-	254	-	15,328
Capital outlay	-	-	-	-
Other	-	-	-	95
Total expenditures	<u>1,530</u>	<u>254</u>	<u>179</u>	<u>91,103</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(2,622)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	(2,622)
Fund Balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,327</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,705</u>

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (FY 2007)
For the Year Ended June 30, 2007

Waterloo Office

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal sources	\$ 29,677	\$ 17,968	\$ (11,709)
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>29,677</u>	<u>17,968</u>	<u>(11,709)</u>
Expenditures			
Salaries	16,507	11,914	4,593
Employee benefits	4,197	3,017	1,180
Purchased services	5,677	2,388	3,289
Supplies and materials	3,296	649	2,647
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>29,677</u>	<u>17,968</u>	<u>11,709</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (FY 2006)
For the Year Ended June 30, 2007

Waterloo Office

	<u>Budget</u>	<u>July 1, 2005 - June 30, 2006 Actual</u>	<u>July 1, 2006 - June 30, 2007 Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Federal sources	\$ 26,500	\$ 11,510	\$ 15,006	\$ 16
Interest income	-	17	23	40
Total revenues	<u>26,500</u>	<u>11,527</u>	<u>15,029</u>	<u>56</u>
Expenditures				
Salaries	13,298	8,056	5,468	(226)
Employee benefits	3,403	1,871	1,325	207
Purchased services	1,945	1,406	474	65
Supplies and materials	7,854	177	7,706	(29)
Other	-	17	56	(73)
Total expenditures	<u>26,500</u>	<u>11,527</u>	<u>15,029</u>	<u>(56)</u>
Net change in fund balance	<u>\$ -</u>	-	-	<u>\$ -</u>
Fund balance - beginning of year		-	-	
Fund balance - end of year		<u>\$ -</u>	<u>\$ -</u>	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE I STANDARDS ALIGNED CLASSROOM INITIATIVE (FY 2007)
For the Year Ended June 30, 2007

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal sources	\$ 18,000	\$ 19,408	\$ 1,408
Interest income	-	43	43
Total revenue	18,000	19,451	1,451
Expenditures			
Salaries	10,773	11,433	(660)
Employee benefits	2,317	2,518	(201)
Purchased services	1,910	2,392	(482)
Supplies and materials	3,000	3,069	(69)
Other	-	39	(39)
Total expenditures	18,000	19,451	(1,451)
Net change in fund balance	\$ -	-	\$ -
Fund balance - beginning of year		-	
Fund balance - end of year		\$ -	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
RURAL EDUCATOR & STUDENT OPPORTUNITIES IN NUCLEAR SCIENCE
For the Year Ended June 30, 2007

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal sources	\$ 6,260	\$ 5,250	\$ (1,010)
Interest income	-	-	-
Total revenues	6,260	5,250	(1,010)
Expenditures			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased services	5,760	3,966	1,794
Supplies and materials	500	1,284	(784)
Other	-	-	-
Total expenditures	6,260	5,250	1,010
Net change in fund balance	\$ -	-	\$ -
Fund balance - beginning of year		-	
Fund balance - end of year		\$ -	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE I SCHOOL IMPROVEMENT SYSTEM OF SUPPORT (FY 2006)
For the Year Ended June 30, 2007

Waterloo Office

	<u>Budget</u>	<u>July 1, 2005 - June 30, 2006 Actual</u>	<u>July 1, 2006 - June 30, 2007 Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Federal sources	\$ 38,917	\$ 26,033	\$ 12,884	\$ -
Interest income	-	-	-	-
Total revenues	<u>38,917</u>	<u>26,033</u>	<u>12,884</u>	<u>-</u>
Expenditures				
Salaries	32,452	21,394	11,058	-
Employee benefits	4,953	3,530	1,424	(1)
Purchased services	1,512	1,109	402	1
Supplies and materials	-	-	-	-
Other	-	-	-	-
Total expenditures	<u>38,917</u>	<u>26,033</u>	<u>12,884</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	<u>\$ -</u>	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE II TEACHER QUALITY
For the Year Ended June 30, 2007

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal sources	\$ 1,530	\$ 1,530	\$ -
Interest income	-	-	-
Total revenues	1,530	1,530	-
Expenditures			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased services	1,530	1,530	-
Supplies and materials	-	-	-
Other	-	-	-
Total expenditures	1,530	1,530	-
Net change in fund balance	\$ -	-	\$ -
Fund balance - beginning of year		-	
Fund balance - end of year		\$ -	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE IV SAFE AND DRUG FREE SCHOOL FORMULA
For the Year Ended June 30, 2007

Waterloo Office

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal sources	\$ 257	\$ 254	\$ (3)
Interest income	-	-	-
	<u>257</u>	<u>254</u>	<u>(3)</u>
Expenditures			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased services	-	-	-
Supplies and materials	257	254	3
Other	-	-	-
	<u>257</u>	<u>254</u>	<u>3</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - beginning of year		-	
Fund balance - end of year		<u>\$ -</u>	

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE V INNOVATIVE PROGRAMS
For the Year Ended June 30, 2007

Waterloo Office

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal sources	\$ 179	\$ 179	\$ -
Interest income	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>179</u>	<u>179</u>	<u>-</u>
Expenditures			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased services	179	179	-
Supplies and materials	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>179</u>	<u>179</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>-</u>	
Fund balance - end of year		<u>\$ -</u>	

See notes to the financial statements and independent auditor's report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2007**

	<u>Bus Driver Permit Fund</u>	<u>General Education Development Fund</u>	<u>Supervisory Expense Fund</u>	
	<u>Waterloo</u>	<u>Waterloo</u>	<u>Waterloo</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 634	\$ 14,824	\$ -	\$ 15,458
Investments	-	-	-	-
Internal balances	-	-	-	-
Due from other governments				
State	-	-	-	-
Other	-	-	-	-
Prepaid Expenses	-	-	-	-
TOTAL ASSETS	<u>\$ 634</u>	<u>\$ 14,824</u>	<u>\$ -</u>	<u>\$ 15,458</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Internal balances	-	-	-	-
Due to other governments				
State	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Reserved for:				
Encumbrances	-	-	-	-
Restricted	634	14,824	-	15,458
Total fund balances	<u>634</u>	<u>14,824</u>	<u>-</u>	<u>15,458</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 634</u>	<u>\$ 14,824</u>	<u>\$ -</u>	<u>\$ 15,458</u>

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2007

	Distributive Fund	State Aid Fund	Human Services Educational/ Vocational Project Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 514,353	\$ 514,353
Investments	-	-	1,200,000	1,200,000
Due from other governments	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ 1,714,353	\$ 1,714,353
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Due to other governments	-	-	1,714,353	1,714,353
TOTAL LIABILITIES	\$ -	\$ -	\$ 1,714,353	\$ 1,714,353

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
 REGIONAL OFFICE OF EDUCATION #45
 MONROE AND RANDOLPH COUNTIES
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended June 30, 2007

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
<u>Distributive Fund</u>				
ASSETS				
Cash	\$ -	\$ 2,142,926	\$ 2,142,926	\$ -
TOTAL ASSETS	\$ -	\$ 2,142,926	\$ 2,142,926	\$ -
LIABILITIES				
Due to other funds	\$ -	\$ 315	\$ 315	\$ -
Due to local educational agencies	-	2,142,611	2,142,611	-
TOTAL LIABILITIES	\$ -	\$ 2,142,926	\$ 2,142,926	\$ -
 <u>Human Services Educational/Vocational Project</u>				
ASSETS				
Cash	\$ 518,240	\$ 1,015,916	\$ 1,019,803	\$ 514,353
Investments	1,200,000	-	-	1,200,000
Due from other governments	-	-	-	-
TOTAL ASSETS	\$ 1,718,240	\$ 1,015,916	\$ 1,019,803	\$ 1,714,353
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	4,976	-	4,976	-
Due to local educational agencies	1,713,264	1,015,916	1,014,827	1,714,353
TOTAL LIABILITIES	\$ 1,718,240	\$ 1,015,916	\$ 1,019,803	\$ 1,714,353

See notes to the financial statements and independent auditor's report.

STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2007

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<u>Total</u>				
ASSETS				
Cash	\$ 518,240	\$ 3,158,842	\$ 3,162,729	\$ 514,353
Investments	1,200,000	-	-	1,200,000
Due from other governments	-	-	-	-
TOTAL ASSETS	<u>\$ 1,718,240</u>	<u>\$ 3,158,842</u>	<u>\$ 3,162,729</u>	<u>\$ 1,714,353</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	4,976	-	4,976	-
Due to other funds	-	315	315	-
Due to local educational agencies	<u>1,713,264</u>	<u>3,158,527</u>	<u>3,157,438</u>	<u>1,714,353</u>
TOTAL LIABILITIES	<u>\$ 1,718,240</u>	<u>\$ 3,158,842</u>	<u>\$ 3,162,729</u>	<u>\$ 1,714,353</u>

See notes to the financial statements and independent auditor's report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE/RANDOLPH COUNTIES
DISTRIBUTIVE FUND**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
For the Year Ended June 30, 2007**

DISTRIBUTIONS	Acct. No.	ROE #45	BECK AREA VOCATIONAL CENTER	MENTAL HEALTH
Local Funds				
Distributive Fund Interest	1510	\$ 315	\$ -	\$ -
Total Local Funds		<u>315</u>	<u>-</u>	<u>-</u>
State Funds				
General State Aid - Sec. 18-8	3001	109,240	635,653	-
General State Aid - Hold Harmless	3002	-	-	-
Special Ed. - Extraordinary	3105	-	-	-
Voc. Ed. - Secondary Program Improvement	3220	-	-	660,031
Voc. Ed. - Agricultural Education	3235	-	-	-
State Free Lunch & Breakfast	3360	94	359	-
Transportation - Regular	3500	-	151,965	-
ROE School Bus Driver Training	3520	600	-	-
Truants Alternative/Operational Ed.	3695	34,822	-	-
Regional Safe Schools Program	3696	107,009	-	-
ROE/ESC Operations	3730	68,820	-	-
ADA Safety & Education Block Grant	3775	-	-	-
Total State Funds		<u>320,585</u>	<u>787,977</u>	<u>660,031</u>
Federal Funds				
Title VI - Formula	4100	-	179	-
National School Lunch Program	4210	2,270	9,779	-
Lunch Program - Commodity Credit	4250	-	14	-
IASA - Even Start	4335	79,184	-	-
IASA - Drug Free Schools - Formula	4400	-	256	-
Fed. - Sp. Ed. - Pre-School Flow Through	4600	-	-	36,415
Fed. - Sp. Ed. - IDEA - Flow Through	4620	-	-	53,422
V.E. PERKINS	4740	-	-	194,058
V. E. - Perkins - Title IIC - Secondary	4745	-	-	-
Learn and Serve America	4910	5,000	-	-
Title II - Teacher Quality	4932	-	1,582	-
Total Federal Funds		<u>86,454</u>	<u>11,810</u>	<u>283,895</u>
TOTAL DISTRIBUTIONS		<u>\$ 407,354</u>	<u>\$ 799,787</u>	<u>\$ 943,926</u>

See notes to the financial statements and independent auditor's report.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE/RANDOLPH COUNTIES
DISTRIBUTIVE FUND**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
For the Year Ended June 30, 2007**

<u>DISTRIBUTIONS</u>	<u>Acct. No.</u>	<u>CHESTER NHSD 122</u>	<u>OKAW REGIONAL VOC SYSTEM-EFE</u>	<u>TOTAL</u>
Local Funds				
Distributive Fund Interest	1510	\$ -	\$ -	\$ 315
Total Local Funds		-	-	315
State Funds				
General State Aid - Sec. 18-8	3001	75,977	-	820,870
General State Aid - Hold Harmless	3002	68,997	-	68,997
Special Ed. - Extraordinary	3105	2,552	-	2,552
Voc. Ed. - Secondary Program Improvement	3220	-	581,466	1,241,497
Voc. Ed. - Agricultural Education	3235	-	23,478	23,478
State Free Lunch & Breakfast	3360	-	-	453
Transportation - Regular	3500	25,200	-	177,165
ROE School Bus Driver Training	3520	-	-	600
Truants Alternative/Operational Ed.	3695	-	-	34,822
Regional Safe Schools Program	3696	-	-	107,009
ROE/ESC Operations	3730	-	-	68,820
ADA Safety & Education Block Grant	3775	1,156	-	1,156
Total State Funds		173,882	604,944	2,547,419
Federal Funds				
Title VI - Formula	4100	-	-	179
National School Lunch Program	4210	-	-	12,049
Lunch Program - Commodity Credit	4250	-	-	14
IASA - Even Start	4335	-	-	79,184
IASA - Drug Free Schools - Formula	4400	-	-	256
Fed. - Sp. Ed. - Pre-School Flow Through	4600	-	-	36,415
Fed. - Sp. Ed. - IDEA - Flow Through	4620	-	-	53,422
V.E. PERKINS	4740	-	-	194,058
V. E. - Perkins - Title IIC - Secondary	4745	-	102,900	102,900
Learn and Serve America	4910	-	-	5,000
Title II - Teacher Quality	4932	-	-	1,582
Total Federal Funds		-	102,900	485,059
TOTAL DISTRIBUTIONS		\$ 173,882	\$ 707,844	\$ 3,032,793

See notes to the financial statements and independent auditor's report.