

State of Illinois
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
FINANCIAL AUDIT
For the Year Ended June 30, 2008

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, 2008**

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**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2008**

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, 2008

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

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)
 None

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, 2008**

EXIT CONFERENCE

An exit conference was held with Agency personnel on November 7, 2008 to go over the auditor's report. Attending were Kelton Davis, Assistant Regional Superintendent, Linda Schmidt, Comptroller, Dale Holtmann, CPA, Special Assistant Auditor, J. W. Boyle & Co., Ltd., and Jill Branch, 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, 2008**

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, 2008, 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, 2008, 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 December 29, 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 13g and 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

JW Boyle & Co., Ltd.

J. W. Boyle & Co., Ltd.

December 29, 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, 2008, which collectively comprise the Regional Office of Education #45's basic financial statements and have issued our report thereon dated December 29, 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 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.

December 29, 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, 2008**

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, 2008**

Section II – Financial Statement Findings

**FINDING NO. N/A
REPEATED FROM N/A**

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, 2008**

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, 2008**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
N/A		

MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL OFFICE OF EDUCATION #45 MONROE AND RANDOLPH COUNTIES

Management's Discussion and Analysis

As management of Monroe Randolph 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, 2008. We encourage readers to consider the information presented here in conjunction with ROE #45's financial statements, which follow this section.

2008 Financial Highlights

- The assets of Regional Office of Education #45 exceeded its liabilities by \$810,598 (net assets). Of this amount, \$46,981 is restricted for teacher professional development. \$45,633 accounts for the capital assets with no related debt.
- The Regional Office of Education #45's total net assets increased by \$50,260. This change was partly attributable to an increase in cash; offset by the increase in deferred revenue for grants ending after June 30, 2008. Investments increased by \$14,683 due to reinvestment of earnings.
- The capital assets (net) of Regional Office of Education #45 decreased by \$1,495. The net change in accumulated depreciation was \$7,170 affecting the net decrease in capital assets. 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.

See independent auditors' report.

- 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 with a broad overview of ROE #45's finances, in a manner similar to private-sector businesses.

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

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

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

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

The government-wide financial statements can be found on pages 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.

See independent auditors' report.

ROE #45 maintains 6 individual governmental funds; the general fund, education fund, teacher's institute, 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 four 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 and Maidez Center Project funds. These are both considered major funds.

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

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

The basic fiduciary fund 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 24-47 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 51, 62-68, and 71-85 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 58-61 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 49-88 of this report.

See independent auditors' 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 \$810,598 at the close of fiscal year 2008.

ROE #45's net assets are split approximately 90% to governmental activities and 10% to business-type activities. Of the governmental net assets, approximately 6% are invested in capital assets, 7% restricted as to use, and the remaining 87% unrestricted as to use.

ROE 45's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 777,188	\$ 618,993	\$ 77,426	\$ 115,316	\$ 854,614	\$ 734,309
Capital assets	45,633	47,128	-	-	45,633	47,128
Total assets	<u>822,821</u>	<u>666,121</u>	<u>77,426</u>	<u>115,316</u>	<u>900,247</u>	<u>781,437</u>
Other liabilities	89,649	20,329		770	89,649	21,099
Long-term debt	-	-	-	-	-	-
Total liabilities	<u>89,649</u>	<u>20,329</u>	<u>-</u>	<u>770</u>	<u>89,649</u>	<u>21,099</u>
Net assets:						
Invested in capital assets, net of related debt	45,633	47,128	-	-	45,633	47,128
Unrestricted	640,558	598,664	77,426	74,551	717,984	673,215
Restricted for Teacher Professional Development	46,981	-	-	39,995	46,981	39,995
Total net assets	<u>\$ 733,172</u>	<u>\$ 645,792</u>	<u>\$ 77,426</u>	<u>\$ 114,546</u>	<u>\$ 810,598</u>	<u>\$ 760,338</u>

During 2008, total current assets, comprised predominately of cash and investments and receivables, increased \$120,305 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 \$1,495 for capital assets. The net assets of the business-type activities decreased by \$37,120 attributable mostly to the required change of Teacher's Institute Fund from an enterprise fund to a special revenue fund (see note #1 (N) for further details of reclassification).

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 \$810,598 (net assets). Approximately 87% of net assets are unrestricted, and \$46,981 is restricted for Teacher Professional Development. The investment in net capital assets was approximately \$45,633 at the end of 2008. 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 \$50,260 during 2008. Governmental activities contributed \$47,385 of the increase while the business-type activities increased \$2,875. Beginning governmental net assets increased by \$39,995, and beginning net assets of business-activities decreased by this same amount as a result of the required reclassification of the Teacher's Institute Fund. Key elements of the change in net assets are as follows:

ROE 45's Changes in Net Assets

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:						
Program revenues:						
Charges for services	\$ 15,915	\$ 7,898	\$ 50,391	\$ 114,305	\$ 66,306	\$ 122,203
Operating grants & contributions	769,255	569,835	1,000	-	770,255	569,835
General revenues:						
Local sources	296,526	290,491	-	-	296,526	290,491
State sources	71,173	68,820	-	-	71,173	68,820
Federal sources	-	-	-	-	-	-
On-behalf payments	280,489	232,191	-	-	280,489	232,191
Interest	15,849	12,625	4,129	4,737	19,978	17,362
Total revenues	<u>1,449,207</u>	<u>1,181,860</u>	<u>55,520</u>	<u>119,042</u>	<u>1,504,727</u>	<u>1,300,902</u>
Expenses:						
Salaries and benefits	763,903	695,373	15,611	30,669	779,514	726,042
Purchased services	215,920	173,859	28,059	54,860	243,979	228,719
Supplies and materials	77,658	51,456	7,472	30,037	85,130	81,493
Capital outlay	-	-	-	-	-	-
Other	891	441	1,503	3,866	2,394	4,307
Other governmental units	49,191	-	-	-	49,191	-
Depreciation	13,770	19,261	-	-	13,770	19,261
On-behalf payments	280,489	232,191	-	-	280,489	232,191
Total expenses	<u>1,401,822</u>	<u>1,172,581</u>	<u>52,645</u>	<u>119,432</u>	<u>1,454,467</u>	<u>1,292,013</u>
Special item						
Loss on sale of capital assets	-	38	-	-	-	38
Increase (decrease) in net assets	47,385	9,241	2,875	(390)	50,260	8,851
Net assets-beginning	<u>685,787</u>	<u>636,551</u>	<u>74,551</u>	<u>114,936</u>	<u>760,338</u>	<u>751,487</u>
Net assets-ending	<u>\$ 733,172</u>	<u>\$ 645,792</u>	<u>\$ 77,426</u>	<u>\$ 114,546</u>	<u>\$ 810,598</u>	<u>\$ 760,338</u>

See independent auditors' report.

Governmental Activities

Revenues for governmental activities were \$1,449,207 and expenses were \$1,401,822. Governmental revenues increased \$219,049 (exclusive of on-behalf payments) due to availability of additional grants to mentor beginning teachers, expand services to libraries for Family Literacy, and assistance with onsite personnel for the Truants Alternative grant.

With the increase in revenues, we could expect to see an increase in expenses as well. Overall governmental expenses increased approximately \$180,943 (exclusive of on-behalf payments) consisting primarily of an increase of approximately \$68,530 in salaries and benefits, \$42,061 in purchased services, \$26,202 in supplies and materials, \$49,191 in payments to other governmental units and a decrease of \$5,491 in depreciation. The salary and benefits increased from an increase in staff due to the acquisition of additional grant funding. The increase in purchased services, supplies and materials and payments to other governmental units was also due to an increase of grant funding. Depreciation decrease is a function of the age of the assets that are depreciated without replacement.

Business-Type Activities

The charges for services decreased by \$63,914 when compared to 2007 mostly due to the required change with the Teacher's Institute Fund. Salaries and benefits decreased \$15,058, supplies and materials decreased \$22,565 and purchased services decreased \$26,801 due to the combination of the reclassification of the Teacher's Institute funds and less workshops and conferences were held during 2008.

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 \$687,539, an increase of \$88,875 from last year's ending fund balance of \$598,664. \$39,995 of this increase is again attributable to the reclassification of the Teacher's Institute Fund to a special revenue fund and the remaining \$48,880 is due to factors concerning the changes in revenues and expenditures which 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 increased by \$20,523 to \$371,966. The education fund increased \$19,627 to \$251,390. The special revenue funds are reserved for specific functions or activities of each fund.

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.

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	
	2008	2007	2008	2007	2008	2007
Equipment	\$ 45,633	\$ 47,128	\$ -	\$ -	\$ 45,633	\$ 47,128

At June 30, 2008 and June 30, 2007, ROE #45 had invested \$261,041 and \$255,366, respectively, in a broad range of capital assets, including office equipment, computers and audio-visual equipment.

ROE #45 had depreciation expense of \$13,770 and \$19,261 in 2008 and 2007, respectively, with accumulated depreciation of \$215,408 and \$208,238 at June 30, 2008 and 2007, respectively. More detailed information about capital assets is available in footnote #3.

During fiscal year 2008, the ROE scrapped obsolete electronic equipment that had an original cost of \$6,600. All scrapped equipment was fully depreciated.

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, ROE #45 was not aware of any circumstance that could affect its financial health in the future. ROE #45 has experienced a decrease in the amount of specific grant funds for early childhood, truants alternative (TAOEP), but this is offset by an increase in new teacher induction and mentoring funds.

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, 2008**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 462,221	\$ 47,580	\$ 509,801
Investments	239,867	56,000	295,867
Prepaid Expenses	11,173	-	11,173
Due from other governments			
State	19,464	-	19,464
Other	17,848	-	17,848
Accounts receivable	-	461	461
Internal balances	26,615	(26,615)	-
Total Current Assets	777,188	77,426	854,614
Noncurrent Assets:			
Capital assets, being depreciated, net	45,633	-	45,633
Total Noncurrent Assets	45,633	-	45,633
TOTAL ASSETS	822,821	77,426	900,247
LIABILITIES			
Current Liabilities:			
Accounts payable	9,805	-	9,805
Accrued wages and benefits	1,043	-	1,043
Due to other governments			
State	-	-	-
Deferred revenue	78,801	-	78,801
Total current liabilities	89,649	-	89,649
Long-term Liabilities:			
Commitments & contingencies	-	-	-
Total Long-term Liabilities	-	-	-
TOTAL LIABILITIES	89,649	-	89,649
NET ASSETS			
Invested in capital assets, net of related debt	45,633	-	45,633
Unrestricted	640,558	77,426	717,984
Restricted for Teacher Professional Development	46,981	-	46,981
TOTAL NET ASSETS	\$ 733,172	\$ 77,426	\$ 810,598

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, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Primary Government							
Governmental activities:							
Instructional services:							
Salaries and benefits	\$ 763,903	\$ -	\$ 538,943	\$ -	\$ (224,960)	\$ -	\$ (224,960)
Purchased services	215,920	13,098	108,187	-	(94,635)	-	(94,635)
Supplies and materials	77,658	2,817	66,158	-	(8,683)	-	(8,683)
Capital outlay	-	-	7,062	-	7,062	-	7,062
Other	891	-	174	-	(717)	-	(717)
Other governmental units	49,191	-	48,731	-	(460)	-	(460)
Depreciation	13,770	-	-	-	(13,770)	-	(13,770)
Administrative							
On-behalf payments - state	280,489	-	-	-	(280,489)	-	(280,489)
Total governmental activities	1,401,822	15,915	769,255	-	(616,652)	-	(616,652)
Business-type activities							
Registration services	52,645	50,391	1,000	-	-	(1,254)	(1,254)
Total business-type activities	52,645	50,391	1,000	-	-	(1,254)	(1,254)
Total primary government	\$ 1,454,467	\$ 66,306	\$ 770,255	\$ -	(616,652)	(1,254)	(617,906)
General revenues:							
Local sources							
State sources					296,526	-	296,526
Federal sources					71,173	-	71,173
On-behalf payments					280,489	-	280,489
Interest					15,849	4,129	19,978
Transfers					-	-	-
Total general revenues, special and extraordinary items, and transfers					664,037	4,129	668,166
Change in net assets					47,385	2,875	50,260
Net assets - beginning of year (restated)					685,787	74,551	760,338
Net assets - end of year					\$ 733,172	\$ 77,426	\$ 810,598

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, 2008**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 193,681	\$ 217,982	\$ 50,558	\$ 462,221
Investments	112,881	115,986	11,000	239,867
Internal balances	55,891	-	-	55,891
Due from other governments				
State	-	19,464	-	19,464
Other	2,009	15,839	-	17,848
Prepaid expenses	8,548	-	2,625	11,173
TOTAL ASSETS	<u><u>\$ 373,010</u></u>	<u><u>\$ 369,271</u></u>	<u><u>\$ 64,183</u></u>	<u><u>\$ 806,464</u></u>
LIABILITIES				
Accounts payable	\$ 1	\$ 9,804	\$ -	\$ 9,805
Accrued wages and benefits	1,043	-	-	1,043
Internal balances	-	29,276	-	29,276
Due to other governments				
State	-	-	-	-
Deferred revenue	-	78,801	-	78,801
Commitments and contingencies	-	-	-	-
Total liabilities	<u><u>1,044</u></u>	<u><u>117,881</u></u>	<u><u>-</u></u>	<u><u>118,925</u></u>
FUND BALANCES				
Reserved for:				
Encumbrances	-	-	-	-
Other purposes	-	-	-	-
Unreserved, reported in:				
General fund	371,966	-	-	371,966
Special revenue funds	-	251,390	64,183	315,573
Total fund balances	<u><u>371,966</u></u>	<u><u>251,390</u></u>	<u><u>64,183</u></u>	<u><u>687,539</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 373,010</u></u>	<u><u>\$ 369,271</u></u>	<u><u>\$ 64,183</u></u>	<u><u>\$ 806,464</u></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, 2008

Total Fund balances-governmental funds	\$ 687,539
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.	45,633
Net assets of governmental activities	<u>\$ 733,172</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, 2008**

	General Fund	Education Fund	Other Non-Major Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 276,986	\$ 19,540	\$ 13,315	\$ 309,841
State sources	71,173	494,603	2,600	568,376
Federal sources	-	274,652	-	274,652
On behalf payments	280,489	-	-	280,489
Interest	7,392	7,354	1,103	15,849
Total revenues	<u>636,040</u>	<u>796,149</u>	<u>17,018</u>	<u>1,449,207</u>
Expenditures:				
Education				
Salaries	166,649	469,615	-	636,264
Employee benefits	53,220	74,419	-	127,639
Purchased services	99,696	109,209	7,015	215,920
Supplies and materials	9,602	66,783	1,273	77,658
Other	715	176	-	891
Other governmental units	-	49,191	-	49,191
On-behalf payments	280,489	-	-	280,489
Capital outlay	5,146	7,129	-	12,275
Total expenditures	<u>615,517</u>	<u>776,522</u>	<u>8,288</u>	<u>1,400,327</u>
Excess of revenues over expenditures	<u>20,523</u>	<u>19,627</u>	<u>8,730</u>	<u>48,880</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	20,523	19,627	8,730	48,880
Fund balances - beginning of year (restated)	<u>351,443</u>	<u>231,763</u>	<u>55,453</u>	<u>638,659</u>
Fund balances - end of year	<u>\$ 371,966</u>	<u>\$ 251,390</u>	<u>\$ 64,183</u>	<u>\$ 687,539</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, 2008

Net change in fund balances		\$ 48,880
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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	\$ 12,275		
Depreciation expense	<u>(13,770)</u>	<u>(1,495)</u>	

Change in net assets of governmental activities		<u>\$ 47,385</u>
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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, 2008**

	Business-Type Activities		Total
	Enterprise Funds		
	Registration	Maidez Center Project	
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 47,577	\$ 3	\$ 47,580
Investments	56,000	-	56,000
Accounts receivable	461	-	461
Due from other funds	-	-	-
Due from other governments	-	-	-
Prepaid expenses	-	-	-
Total Current Assets	104,038	3	104,041
Noncurrent Assets:			
Capital assets, net	-	-	-
Total noncurrent assets	-	-	-
TOTAL ASSETS	104,038	3	104,041
LIABILITIES			
Current Liabilities			
Accounts Payable	-	-	-
Accrued wages and benefits	-	-	-
Due to other funds	1,500	25,115	26,615
Due to other governments			
State	-	-	-
Deferred revenue	-	-	-
Total current liabilities	1,500	25,115	26,615
Long-term liabilities			
Commitments and contingencies	-	-	-
Total long-term liabilities	-	-	-
TOTAL LIABILITIES	1,500	25,115	26,615
NET ASSETS			
Invested in capital assets, net of related debt	-	-	-
Restricted	-	-	-
Unrestricted	102,538	(25,112)	77,426
TOTAL NET ASSETS	\$ 102,538	\$ (25,112)	\$ 77,426

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, 2008**

	Business-Type Activities		
	Enterprise Funds		
	Registration	Maidez Center Project	Total
Operating revenues:			
Federal sources	\$ 1,000	-	\$ 1,000
Charge for Services	50,391	-	50,391
Total operating revenues	<u>51,391</u>	<u>-</u>	<u>51,391</u>
Operating expenses:			
Salaries and Benefits	15,611	-	15,611
Purchased services	28,059	-	28,059
Supplies and materials	7,472	-	7,472
Capital outlay	-	-	-
Other	1,503	-	1,503
Depreciation	-	-	-
Total operating expenses	<u>52,645</u>	<u>-</u>	<u>52,645</u>
Operating income (loss)	<u>(1,254)</u>	<u>-</u>	<u>(1,254)</u>
Nonoperating revenues:			
Investment income	4,129	-	4,129
Total nonoperating revenue	<u>4,129</u>	<u>-</u>	<u>4,129</u>
Income (loss) before contributions, transfers, and gains/losses	2,875	-	2,875
Capital contributions	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Gain (Loss) on disposal of capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	2,875	-	2,875
Net assets, beginning of year (restated)	<u>99,663</u>	<u>(25,112)</u>	<u>74,551</u>
Net assets, end of year	<u>\$ 102,538</u>	<u>\$ (25,112)</u>	<u>\$ 77,426</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, 2008**

	Business-Type Activities Enterprise Funds		Total
	Registration	Maidez Center Project	
Cash flows from operating activities:			
Receipts from customers	\$ 52,805	\$ -	\$ 52,805
Payments to suppliers and providers for goods and service	(39,534)	-	(39,534)
Payments to employees	(15,611)	-	(15,611)
Net cash provided by (used for) operating activities	<u>(2,340)</u>	<u>-</u>	<u>(2,340)</u>
Cash flows from noncapital financing activities:			
Cash received from other funds	-	-	-
Cash transfers to other funds	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Purchase of investments	(2,173)	-	(2,173)
Interest received on investments	4,129	-	4,129
Net cash provided by (used for) investing activities	<u>1,956</u>	<u>-</u>	<u>1,956</u>
Net increase (decrease) in cash and cash equivalents	(384)	-	(384)
Cash and cash equivalents - beginning of year	<u>47,961</u>	<u>3</u>	<u>47,964</u>
Cash and cash equivalents - end of year	<u>\$ 47,577</u>	<u>\$ 3</u>	<u>\$ 47,580</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (1,254)	\$ -	\$ (1,254)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Change in assets and liabilities:			
Decrease in accounts receivable	1,684	-	1,684
(Decrease) in accounts payable	(500)	-	(500)
(Decrease) in deferred revenue	(270)	-	(270)
(Decrease) in due to other funds	<u>(2,000)</u>	<u>-</u>	<u>(2,000)</u>
Net cash provided by (used for) operating activities	<u>\$ (2,340)</u>	<u>\$ -</u>	<u>\$ (2,340)</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, 2008

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 421,785
Investments	1,200,000
Due from other governments	20,892
TOTAL ASSETS	\$ 1,642,677
LIABILITIES	
Accounts payable	\$ -
Accrued wages and benefits	-
Due to other governments	1,642,677
TOTAL LIABILITIES	\$ 1,642,677

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, 2008**

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 1, 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, 2008**

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, 2008, 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.

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.

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, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and fund financial statements

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 are 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.

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, 2008**

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 a 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.

McKinney-Vento Homeless Children & Youth – The purpose of the grant is to facilitate the enrollment, attendance and educational success of homeless children and youths so that they have an opportunity to meet the same challenging state standards to which all children are held.

Secretary of State Family Literacy Program – The program is a partnership with Pre-K, Even Start, Head Start, Adult Basic Education, English as a Second Language (ESL), and community libraries to provide continuing adult education, ESL, childhood education, parenting resources, and activities for at risk families in the communities of Sparta, Steeleville, Red Bud and Chester.

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.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 co-op 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.

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 target assistance with planning, professional development, and data analysis with struggling schools that are eligible to receive services.

State Standards and Assessment System of Support – The purpose of the grant is to support the development of school and district improvement planning with particular emphasis on data analysis. Additionally, school community relations are addressed. Onsite support is provided for further assistance and program development.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Great Lakes West Comprehensive Assistance – The purpose of the program is to facilitate the goals of Great Lakes West in providing technical assistance to Illinois on meeting the requirements of the No Child Left Behind Act. The program supports the coordination of state efforts and multiple education related organizations serving the school district.

Title III English Language Learner – The purpose of the grant is to provide schools with knowledge and support for the required services for limited English proficient students. These services include student screening and professional development for educational staff.

Beginning Teacher Induction Pilot Program – The purpose of the program is to provide new teachers local mentors that assist in the mentoring and induction of these new staff members. Services include extensive professional development for both the mentors and new teachers in areas of curriculum and instruction.

HIV/AIDS Rural Health – The purpose of this program is to facilitate conferences and meetings for the Department of Human Services in HIV and AIDS issues specific to rural communities.

Substance Abuse Prevention Program – Regional Office of Education #45 worked with Regional Office of Education #50 to deliver services detailed in the Department of Human Services Grant. Activities included assessing the community for readiness for programs to reduce alcohol, tobacco and other related drugs in Randolph County.

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.

• *Non-major funds* include the following:

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.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 Registration and Maidez Center programs. These operations are financed and operated in a manner similar to private business operations.

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

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.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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:

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.

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.

Under the terms of grant agreements, the Regional Office of Education #45 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

It is the policy of the Regional Office of Education #45 to first apply cost-reimbursement grant resources to such programs and then general revenues.

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.

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 (GASB). Under the provisions of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Regional Office of Education applies all GASB pronouncements and has elected to apply only the pronouncements issued on or before November 30, 1989 for the following: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

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.

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, McKinney-Vento Homeless Children & Youth, Secretary of State Family Literacy Program, 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, State Standards & Assessment System of Support, Great Lakes West Comprehensive Assistance, Title III English Language Learner, Beginning Teacher Induction Pilot Program, HIV/AIDS Rural Health, Substance Abuse Prevention Program, Title II Teacher Quality, Title IV Safe and Drug Free School Formula, and Title V Innovative Programs.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (continued)

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

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. Special revenue funds are reserved to finance specific functions or activities of each fund.

M. New Accounting Pronouncements

Effective for the year ending June 30, 2008, the Regional Office of Education adopted Governmental Accounting Standards Board (GASB) Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 50, *Pension Disclosures an amendment of GASB Statements No. 25 and No. 27*. There was no significant impact on the Regional Office of Education's financial statements as a result of adopting GASB Statement No. 48.

N. Fund Reclassification

The Teacher's Institute fund was previously accounted for and reported as an enterprise fund. As of July 1, 2007 the Regional Office reclassified this fund as a special revenue fund as specified by the *Guidelines to Auditing and Reporting for a Regional Office of Education*. Net assets of enterprise funds decreased by \$39,995 and the net assets for the governmental funds increased by this same amount.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Reclassification (continued)

Beginning fund balances were also restated for governmental funds as of July 1, 2007 as a result of this reclassification. The change is as follows:

	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Non-Major Funds</u>	<u>Total Governmental Funds</u>
Fund Balances				
Beginning balance	\$ 351,443	\$ 231,763	\$ 15,458	\$ 598,664
Adjustment	<u>-</u>	<u>-</u>	<u>39,995</u>	<u>39,995</u>
Beginning balance restated	<u>\$ 351,443</u>	<u>\$ 231,763</u>	<u>\$ 55,453</u>	<u>\$ 638,659</u>

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2008 are classified in the financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 805,668
Fiduciary funds (agency funds):	
Cash and investments	<u>1,621,785</u>
Total cash and investments	<u>\$ 2,427,453</u>

Cash and investments as of June 30, 2008 consist of the following:

Deposits with financial institutions	\$ 931,586
Investments	<u>1,495,867</u>
Total cash and investments	<u>\$ 2,427,453</u>

A. Cash Deposits

At June 30, 2008, 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>631,586</u>
Total deposits	<u>\$ 931,586</u>

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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

A. Cash Deposits (continued)

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.

B. Investments

As of June 30, 2008 the Regional Office of Education had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificate of Deposit	7/05/2008	\$ 83,912
Certificate of Deposit	8/20/2008	10,841
Certificate of Deposit	8/27/2008	13,596
Certificate of Deposit	3/17/2009	3,772
Certificate of Deposit	3/16/2009	10,797
Certificate of Deposit	3/20/2009	10,875
Certificate of Deposit	6/18/2009	32,074
Certificate of Deposit	6/30/2009	11,000
Certificate of Deposit	6/30/2009	63,000
Certificate of Deposit	6/30/2009	19,000
Certificate of Deposit	6/30/2009	37,000
Certificate of Deposit	6/30/2009	100,000
Certificate of Deposit	6/26/2009	100,000
Certificate of Deposit	11/30/2009	<u>1,000,000</u>
		<u>\$1,495,867</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, 2008 the Regional Office of Education was in compliance with these guidelines.

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NOTE 2: CASH AND INVESTMENTS (CONTINUED)

B. Investments (continued)

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, 2008 the government-wide and agency fund investments were secured by federal depository insurance of \$369,084. 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.

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 (\$94,709), Chester National Bank (\$3,772), Buena Vista (\$32,074), UVEST Financial Services Group, Inc. (\$330,000) and First National Bank of Waterloo (\$1,035,312).

NOTE 3: CAPITAL ASSETS

Governmental Activities

Capital asset activity for fiscal year 2008 was as follows:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2008</u>
Assets being depreciated:				
Equipment	\$ 255,366	\$ 12,275	\$ 6,600	\$ 261,041
Less Accumulated Depreciation:	\$ 208,238	\$ 13,770	\$ 6,600	\$ 215,408
Governmental activity capital assets, net	<u>\$ 47,128</u>	<u>\$ (1,495)</u>	<u>\$ -</u>	<u>\$ 45,633</u>

At June 30, 2008, assets of approximately \$174,924 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.

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NOTE 3: CAPITAL ASSETS (CONTINUED)

Business-type activities – Enterprise Fund

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2008</u>
Equipment	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>

The enterprise funds utilize certain governmental funds' equipment and facilities in its operation. Accordingly, the enterprise funds were levied an internal service charge of \$1,500 for facilities and equipment usage during fiscal year 2008.

NOTE 4: RETIREMENT FUND COMMITMENTS

The Regional Office of Education 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 of Education's payroll for the year ended June 30, 2008 was \$651,056; of which \$276,197 was reported to TRS and \$245,368 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 the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2008 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2007 and 2006.

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 0.63 percent during the year ended June 30, 2008 and the member THIS Fund health insurance contribution was 0.84 percent.

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

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NOTE 4: RETIREMENT FUND COMMITMENTS (CONTINUED)

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

- **On-behalf contribution.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education. For the year ended June 30, 2008, State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the Regional Office of Education recognized revenues and expenditures of \$61,422 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007 and June 30, 2006, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 9.78 percent (\$42,361) and 7.06 percent (\$33,585), respectively.

The state contributions to TRS for the year ended June 30, 2008 were based on an actuarial formula. The state contributions 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 Regional Office of Education makes 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. This rate is specified by statute. Contributions for the year ended June 30, 2008 were \$1,602. Contributions for the years ending June 30, 2007, and June 30, 2006 were \$1,578 and \$1,825, respectively.
- **Federal and trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education, there is a statutory requirement for the Regional Office of Education to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to the TRS.

For the year ended June 30, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2007 and 2006, the employee contribution was 9.78 and 7.06 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2008, salaries totaling \$81,740 were paid from federal and special trust funds that required employer contributions of \$10,716. For the years ended June 30, 2007 and June 30, 2006, required Regional Office of Education contributions were \$10,211 and \$10,820, respectively.

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

Under Public Act 94-0004, a "Pipeline ERO" program was 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 did not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS.

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, 2008**

NOTE 4: RETIREMENT FUND COMMITMENTS (CONTINUED)

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

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 Pipeline ERO, the maximum employer contribution was 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.

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

For the year ended June 30, 2008, the Regional Office of Education paid \$0 to TRS for employer contributions under the Pipeline ERO program. For the years ended June 30, 2007 and June 30, 2006, the Regional Office of Education paid \$24,151 and \$19,835 in employer ERO contributions, respectively.

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two additional 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, 2008, the Regional Office of Education paid \$2,125 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2007 and June 30, 2006, the Regional Office of Education paid \$0 and \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

- 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 (17.62 percent of salary during the year ended June 30, 2008).

For the year ended June 30, 2008 the Regional Office of Education paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2007 and June 30, 2006, the Regional Office paid \$0 and \$0 in employer contributions granted for sick leave days, respectively.

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, 2008**

NOTE 4: RETIREMENT FUND COMMITMENTS (CONTINUED)

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

Further information on TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2007. The report for the year ended June 30, 2008 is expected to be available in late 2008.

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.

B. Illinois Municipal Retirement Fund

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

Funding Policy. As set by statute, the Regional Office of Education's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require the Regional Office of Education to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education's contribution rate for calendar year 2007 was 13.25 percent of annual covered payroll. The Regional Office of Education also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2007, the Regional Office of Education's annual pension cost of \$31,733 for the Regular plan was equal to the Regional Office of Education's required and actual contributions.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 31,733	100%	\$ 0
12/31/06	31,571	100%	0
12/31/05	26,398	100%	0

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, 2008**

NOTE 4: RETIREMENT FUND COMMITMENTS (CONTINUED)

B. Illinois Municipal Retirement Fund (continued)

The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2005, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Regional Office of Education Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

Funding Status and Funding Progress. As of December 31, 2007, the most recent actuarial valuation date, the Regular plan was 96.11 percent funded. The actuarial accrued liability for benefits was \$849,896 and the actuarial value of assets was \$816,797, resulting in an underfunded actuarial accrued liability (UAAL) of \$33,099. The covered payroll (annual payroll of active employees covered by the plan) was \$239,494 and the ratio of the UAAL to the covered payroll was 14 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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 of Education contributions for the years ended June 30, 2008 and June 30, 2007 were \$16,171 and \$14,939, respectively.

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

NOTE 5: DUE TO/FROM OTHER GOVERNMENTAL UNITS

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

STATE:	
Secretary of State – Illinois State Library	\$ 13,716
Illinois State Board of Education	<u>5,748</u>
	<u>19,464</u>
OTHER:	
St. Clair County	8,427
Pennsylvania State University	1,622
Learning Point Associates	3,020
Local sources	<u>4,779</u>
	<u>17,848</u>
Totals	<u>\$ 37,312</u>
AGENCY FUNDS	
Illinois State Board of Education	<u>\$ 20,892</u>
Totals	<u>\$ 20,892</u>

The due (to) consist of the following:

AGENCY FUNDS	
State of Illinois	<u>\$ 1,642,677</u>

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

NOTE 6: 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, 2008 is as follows:

Fund	Receivable Fund/Account	Payable Fund/Account
General		
Office Account - Chester Office	\$ 16,268	\$ -
Office Account - Waterloo Office	39,623	-
Education Fund		
Chester Office		
Secretary of State Community Literacy - LASER	-	12,468
Truants Alternative/Optional Education		5
Even Start		3,795
Waterloo Office		
State Standards & Assessment System of Support		2,427
Title I School Improvement System of Support		1,649
Great Lakes West Comprehensive Assistance		3,020
Rural Educator & Student Opportunities in Nuclear Science		1,622
Substance Abuse Prevention Program		3,310
Mathematics & Science Partnership	-	980
	-	980
Totals - governmental	\$ 55,891	\$ 29,276
Enterprise funds	-	26,615
	\$ 55,891	\$ 55,891

Transfers between governmental funds reflect the use of changes in funding sources. There were no interfund transfers during fiscal year 2008.

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	\$ 101,218
Assistant Regional Superintendent Salary	91,097
Regional Superintendent Fringe Benefit (includes all State paid insurance)	20,894
Assistant Regional Superintendent Fringe Benefit (includes all State paid insurance)	5,858
Teacher's Retirement System	61,422
Total	\$ 280,489

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, 2008**

NOTE 7: ON-BEHALF PAYMENTS (CONTINUED)

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

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, 2008 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, 2008 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 \$319. At June 30, 2008 all accumulated interest earned had been distributed.

NOTE 10: OPERATING LEASES

Lease 1: On December 1, 2007 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, 2007 and terminating November 30, 2008. The lease is payable in monthly installments of \$1,800. Lease expense for the office building for fiscal year 2008 was \$21,600.

Lease 2: On August 8, 2006 the Regional Office of Education entered into a lease agreement with Pitney Bowes for a postage meter held at the Chester office for 4 years beginning October 1, 2006 through September 30, 2010. The lease is payable in quarterly payments of \$155 of which approximately 14 percent is reimbursed by another governmental entity. Total lease expense for fiscal year 2008 was \$537.

Lease 3: On July 1, 2007 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 three years beginning July 1, 2007 and terminating June 30, 2010. The lease is payable in monthly installments of \$875 per month. Lease expense for the "brick school" for fiscal year 2008 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, 2008**

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 25 percent is reimbursed by another governmental entity. Lease expense for the copier for fiscal year 2008 was \$3,386.

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 2008 was \$4,512.

Lease 6: On August 7, 2007 the Regional Office of Education entered into a lease agreement with CIT Technology Financing Services Inc. for rental of a copier kept at the Red Brick School for 5 years beginning September 1, 2007 and terminating August 31, 2012. The lease is payable in monthly installments of \$205. Lease expense for the copier for fiscal year 2008 was \$2,050.

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 with a monthly rental fee of \$40. Rent expense for the storage unit for fiscal year 2008 was \$480.

Lease 8: On August 18, 2007 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 beginning September 1, 2007 through December 30, 2012. The lease is payable in quarterly payments of \$177. The lease expense for fiscal year 2008 was \$708.

Minimum future rental payments under non-cancelable leases having remaining terms in excess of 1 year as of June 30, 2008 for each of the next five years in the aggregate are:

Year Ended June 30	
2009	\$ 23,312
2010	20,304
2011	3,322
2012	3,167
2013	587
2014 & years later	<u> -</u>
	<u>\$ 50,692</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, 2008**

**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)
12/31/07	816,797	849,896	33,099	96.11	239,494	13.82%
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%

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, 2008**

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, 2008**

	Office Account		ROE/ISC Operations	County Account	Total
	Chester	Waterloo	Waterloo	Waterloo	
ASSETS					
Cash and cash equivalents	\$ 56,184	\$ 80,289	\$ -	\$ 57,208	\$ 193,681
Investments	-	112,881	-	-	112,881
Internal balances	16,268	39,623	-	-	55,891
Due from other governments					
State	-	-	-	-	-
Other	-	2,009	-	-	2,009
Prepaid expenses	-	8,473	-	75	8,548
TOTAL ASSETS	<u>\$ 72,452</u>	<u>\$ 243,275</u>	<u>\$ -</u>	<u>\$ 57,283</u>	<u>\$ 373,010</u>
LIABILITIES					
Accounts Payable	\$ -	\$ 1	\$ -	\$ -	\$ 1
Accrued wages and benefits	-	1,043	-	-	1,043
Internal balances	-	-	-	-	-
Due to other governments					
State	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,044</u>	<u>-</u>	<u>-</u>	<u>1,044</u>
FUND BALANCE					
Reserved for:					
Encumbrances	-	-	-	-	-
Unreserved, reported in:					
General fund	<u>72,452</u>	<u>242,231</u>	<u>-</u>	<u>57,283</u>	<u>371,966</u>
Total fund balance	<u>72,452</u>	<u>242,231</u>	<u>-</u>	<u>57,283</u>	<u>371,966</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 72,452</u>	<u>\$ 243,275</u>	<u>\$ -</u>	<u>\$ 57,283</u>	<u>\$ 373,010</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, 2008

	Office Account		ROE/ISC Operations	County Account	Total
	Chester	Waterloo	Waterloo	Waterloo	
Revenues					
Local sources	\$ 435	\$ 95,520	\$ -	\$ 181,031	\$ 276,986
State sources	-	-	71,173	-	71,173
State sources - payments made on behalf of regional office	-	280,489	-	-	280,489
Interest income	114	6,613	209	456	7,392
Total revenues	549	382,622	71,382	181,487	636,040
Expenditures					
Salaries	-	43,281	37,536	85,832	166,649
Employee benefits	-	12,423	11,594	29,203	53,220
Purchased services	20	35,033	18,185	46,458	99,696
Supplies and materials	573	1,870	1,370	5,789	9,602
Capital outlay	-	1,034	2,488	1,624	5,146
Other	20	71	209	415	715
Payments made by state on behalf of regional office	-	280,489	-	-	280,489
Total expenditures	613	374,201	71,382	169,321	615,517
Excess (deficiency) of revenues over expenditures	(64)	8,421	-	12,166	20,523
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other sources and uses of financial resources	-	-	-	-	-
Net change in fund balances	(64)	8,421	-	12,166	20,523
Fund balance - beginning of year	72,516	233,810	-	45,117	351,443
Fund balance - end of year	\$ 72,452	\$ 242,231	\$ -	\$ 57,283	\$ 371,966

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, 2008

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 71,173	\$ 71,173	\$ -
Interest income	-	209	209
Total revenues	71,173	71,382	209
Expenditures			
Salaries	38,774	37,536	1,238
Employee benefits	11,266	11,594	(328)
Purchased services	17,650	18,185	(535)
Supplies and materials	1,008	1,370	(362)
Capital outlay	2,000	2,488	(488)
Other	475	209	266
Total expenditures	71,173	71,382	(209)
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, 2008

	Education Fund		
	Chester	Waterloo	Total
ASSETS			
Cash and cash equivalents	\$ 131,400	\$ 86,582	\$ 217,982
Investments	115,986	-	115,986
Internal balances	-	-	-
Due from other governments			
State	19,464	-	19,464
Other	2,770	13,069	15,839
Prepaid expenses	-	-	-
TOTAL ASSETS	\$ 269,620	\$ 99,651	\$ 369,271
LIABILITIES			
Accounts payable	\$ 9,804	\$ -	\$ 9,804
Accrued wages and benefits	-	-	-
Internal balances	16,268	13,008	29,276
Due to other governments			
State	-	-	-
Deferred revenue	1,218	77,583	78,801
Total liabilities	<u>27,290</u>	<u>90,591</u>	<u>117,881</u>
FUND BALANCE			
Reserved	-	-	-
Unreserved, reported in:			
Special revenue funds	242,330	9,060	251,390
Total fund balance	<u>242,330</u>	<u>9,060</u>	<u>251,390</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 269,620	\$ 99,651	\$ 369,271

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, 2008**

	Education Fund		
	Chester	Waterloo	Total
Revenues			
Local sources	\$ 15,558	\$ 3,982	\$ 19,540
State sources	400,203	94,400	494,603
Federal sources	176,307	98,345	274,652
Interest income	7,141	213	7,354
Total revenues	<u>599,209</u>	<u>196,940</u>	<u>796,149</u>
Expenditures			
Salaries	369,346	100,269	469,615
Employee benefits	60,677	13,742	74,419
Purchased services	68,592	40,617	109,209
Supplies and materials	46,464	20,319	66,783
Capital outlay	7,129	-	7,129
Other	119	57	176
Other governmental units	24,610	24,581	49,191
Total expenditures	<u>576,937</u>	<u>199,585</u>	<u>776,522</u>
Excess (deficiency) of revenues over expenditures	22,272	(2,645)	19,627
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	22,272	(2,645)	19,627
Fund balance - beginning of year	<u>220,058</u>	<u>11,705</u>	<u>231,763</u>
Fund balance - end of year	<u>\$ 242,330</u>	<u>\$ 9,060</u>	<u>\$ 251,390</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, 2008

	Adult Education Programs	Adult Education Supplemental Funding - Family Visitation Center	Even Start	Regional Safe Schools	McKinney- Vento Homeless Children & Youth
ASSETS					
Cash and cash equivalents	\$ 2,489	\$ 1,432	\$ 2	\$ 116,299	\$ -
Investments	-	-	-	115,986	-
Internal balances	-	-	-	-	-
Due from other governments					
State	-	-	5,743	5	-
Other	-	-	-	2,770	-
Prepaid expenses	-	-	-	-	-
TOTAL ASSETS	\$ 2,489	\$ 1,432	\$ 5,745	\$ 235,060	\$ -
LIABILITIES					
Accounts payable	2,489	101	251	-	-
Accrued wages and benefits	-	-	-	-	-
Internal balances	-	-	3,795	-	-
Due to other governments					
State	-	-	-	-	-
Deferred revenue	-	1,218	-	-	-
Total liabilities	<u>2,489</u>	<u>1,319</u>	<u>4,046</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Reserved	-	-	-	-	-
Unreserved	-	113	1,699	235,060	-
Total fund balance	<u>-</u>	<u>113</u>	<u>1,699</u>	<u>235,060</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,489	\$ 1,432	\$ 5,745	\$ 235,060	\$ -

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, 2008**

	Secretary of State Family Literacy Program	Rural Education Achievement Program	Secretary of State Community Literacy Program - LASER	Truants Alternative/ Optional Education	Total
ASSETS					
Cash and cash equivalents	\$ 11,173	\$ -	\$ -	\$ 5	\$ 131,400
Investments	-	-	-	-	115,986
Internal balances	-	-	-	-	-
Due from other governments					
State	-	-	13,716	-	19,464
Other	-	-	-	-	2,770
Prepaid Expenses	-	-	-	-	-
TOTAL ASSETS	\$ 11,173	\$ -	\$ 13,716	\$ 5	\$ 269,620
LIABILITIES					
Accounts payable	5,715	-	1,248	-	9,804
Accrued wages and benefits	-	-	-	-	-
Internal balances	-	-	12,468	5	16,268
Due to other governments					
State	-	-	-	-	-
Deferred revenue	-	-	-	-	1,218
Total liabilities	<u>5,715</u>	<u>-</u>	<u>13,716</u>	<u>5</u>	<u>27,290</u>
FUND BALANCE					
Reserved	-	-	-	-	-
Unreserved	5,458	-	-	-	242,330
Total fund balance	<u>5,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,330</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 11,173	\$ -	\$ 13,716	\$ 5	\$ 269,620

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, 2008

	Adult Education Programs	Adult Education Supplemental Funding - Family Visitation Center	Even Start	Regional Safe Schools	McKinney- Vento Homeless Children & Youth
Revenues					
Local sources	\$ -	\$ 495	\$ -	\$ 15,063	\$ -
State sources	66,525	-	-	224,022	-
Federal sources	51,309	-	96,010	2,878	1,500
Interest income	23	-	41	7,023	-
Total revenues	<u>117,857</u>	<u>495</u>	<u>96,051</u>	<u>248,986</u>	<u>1,500</u>
Expenditures					
Salaries	76,768	-	60,579	164,691	500
Employee benefits	14,960	-	11,025	27,877	7
Purchased services	10,218	239	11,721	29,922	993
Supplies and materials	11,921	234	9,738	9,490	-
Capital outlay	3,968	22	3,139	-	-
Other	22	-	41	-	-
Other governmental units	-	-	-	-	-
Total expenditures	<u>117,857</u>	<u>495</u>	<u>96,243</u>	<u>231,980</u>	<u>1,500</u>
Excess (deficiency) of revenues over expenditures	-	-	(192)	17,006	-
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	-	-	(192)	17,006	-
Fund Balance - beginning of year	<u>-</u>	<u>113</u>	<u>1,891</u>	<u>218,054</u>	<u>-</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ 113</u>	<u>\$ 1,699</u>	<u>\$ 235,060</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
CHESTER OFFICE
For the Year Ended June 30, 2008**

	Secretary of State Family Literacy Program	Rural Education Achievement Program	Secretary of State Community Literacy Program - LASER	Truants Alternative/ Optional Education	Total
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 15,558
State sources	34,968	-	30,000	44,688	400,203
Federal sources	-	24,610	-	-	176,307
Interest income	24	-	10	20	7,141
Total revenues	<u>34,992</u>	<u>24,610</u>	<u>30,010</u>	<u>44,708</u>	<u>599,209</u>
Expenditures					
Salaries	12,957	-	19,801	34,050	369,346
Employee benefits	3,754	-	1,362	1,692	60,677
Purchased services	2,657	-	4,718	8,124	68,592
Supplies and materials	10,140	-	4,119	822	46,464
Capital outlay	-	-	-	-	7,129
Other	26	-	10	20	119
Other governmental units	-	24,610	-	-	24,610
Total expenditures	<u>29,534</u>	<u>24,610</u>	<u>30,010</u>	<u>44,708</u>	<u>576,937</u>
Excess (deficiency) of revenues over expenditures	5,458	-	-	-	22,272
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	5,458	-	-	-	22,272
Fund Balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,058</u>
Fund Balance - end of year	<u>\$ 5,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,330</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, 2008

	Federal Basic (FY 2008)	Public Assistance (FY 2008)	State Basic (FY 2008)	State Performance (FY 2008)	Total
ASSETS					
Cash and cash equivalents	\$ 1,028	\$ 356	\$ 1,105	\$ -	\$ 2,489
Investments	-	-	-	-	-
Internal balances	-	-	-	-	-
Due from other governments:					
State	-	-	-	-	-
Other	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
TOTAL ASSETS	\$ 1,028	\$ 356	\$ 1,105	\$ -	\$ 2,489
LIABILITIES					
Accounts payable	\$ 1,028	\$ 356	\$ 1,105	\$ -	\$ 2,489
Accrued wages and benefits	-	-	-	-	-
Internal balances	-	-	-	-	-
Due to other governments:					
State	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	1,028	356	1,105	-	2,489
FUND BALANCE					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total fund balance	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,028	\$ 356	\$ 1,105	\$ -	\$ 2,489

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, 2008

	Federal Basic (FY 2008)	Public Assistance (FY 2008)	State Basic (FY 2008)	State Performance (FY 2008)	Total
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	2,616	48,832	15,077	66,525
Federal sources	51,309	-	-	-	51,309
Interest income	-	1	13	9	23
Total revenues	<u>51,309</u>	<u>2,617</u>	<u>48,845</u>	<u>15,086</u>	<u>117,857</u>
Expenditures					
Salaries	29,857	1,182	37,662	8,067	76,768
Employee benefits	8,262	31	5,703	964	14,960
Purchased services	4,545	758	3,044	1,871	10,218
Supplies and materials	7,342	645	1,318	2,616	11,921
Capital outlay	1,303	-	1,105	1,560	3,968
Other	-	1	13	8	22
Other governmental units	-	-	-	-	-
Total expenditures	<u>51,309</u>	<u>2,617</u>	<u>48,845</u>	<u>15,086</u>	<u>117,857</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, 2008

Chester Office

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal sources	\$ 51,309	\$ 51,309	\$ -
Interest income	-	-	-
Total revenues	<u>51,309</u>	<u>51,309</u>	<u>-</u>
Expenditures			
Salaries	34,798	29,857	4,941
Employee benefits	7,967	8,262	(295)
Purchased services	3,273	4,545	(1,272)
Supplies and materials	5,271	7,342	(2,071)
Capital outlay	-	1,303	(1,303)
Other	-	-	-
Total expenditures	<u>51,309</u>	<u>51,309</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 - PUBLIC ASSISTANCE
For the Year Ended June 30, 2008

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 2,616	\$ 2,616	\$ -
Interest income	-	1	1
Total revenues	2,616	2,617	1
Expenditures			
Salaries	1,012	1,182	(170)
Employee benefits	21	31	(10)
Purchased services	1,190	758	432
Supplies and materials	393	645	(252)
Other	-	1	(1)
Total expenditures	2,616	2,617	(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, 2008

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 48,832	\$ 48,832	\$ -
Interest income	-	13	13
Total revenues	48,832	48,845	13
Expenditures			
Salaries	39,046	37,662	1,384
Employee benefits	5,934	5,703	231
Purchased services	2,749	3,044	(295)
Supplies and materials	1,103	1,318	(215)
Capital outlay		1,105	(1,105)
Other	-	13	(13)
Total expenditures	48,832	48,845	(13)
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 PERFORMANCE
For the Year Ended June 30, 2008

Chester Office

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State sources	\$ 15,077	\$ 15,077	\$ -
Interest income	-	9	9
	<u>15,077</u>	<u>15,086</u>	<u>9</u>
Total revenues			
Expenditures			
Salaries	10,919	8,067	2,852
Employee benefits	1,337	964	373
Purchased services	1,817	1,871	(54)
Supplies and materials	1,004	2,616	(1,612)
Capital outlay	-	1,560	(1,560)
Other	-	8	(8)
	<u>15,077</u>	<u>15,086</u>	<u>(9)</u>
Total expenditures			
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
EVEN START
For the Year Ended June 30, 2008

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources	\$ -	\$ -	\$ -
Federal sources	96,010	96,010	-
Interest income	-	41	41
	96,010	96,051	41
Total revenues			
Expenditures			
Salaries	60,594	60,579	15
Employee benefits	10,324	11,025	(701)
Purchased services	12,334	11,721	613
Supplies and materials	9,321	9,738	(417)
Capital outlay	3,437	3,139	298
Other	-	41	(41)
	96,010	96,243	(233)
Total expenditures			
Net change in fund balance	\$ -	(192)	\$ (192)
Fund balance - beginning of year		1,891	
Fund balance - end of year		\$ 1,699	

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, 2008

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources	\$ 9,723	\$ 15,063	\$ 5,340
State sources	223,892	224,022	130
Federal sources	-	2,878	2,878
Interest income	-	7,023	7,023
	233,615	248,986	15,371
Expenditures			
Salaries	164,983	164,691	292
Employee benefits	30,563	27,877	2,686
Purchased services	27,112	29,922	(2,810)
Supplies and materials	10,957	9,490	1,467
Capital outlay	-	-	-
Other	-	-	-
	233,615	231,980	1,635
Net change in fund balance	\$ -	17,006	\$ 17,006
Fund balance - beginning of year		218,054	
Fund balance - end of year		\$ 235,060	

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
MCKINNEY-VENTO HOMELESS CHILDREN & YOUTH
For the Year Ended June 30, 2008

Chester Office

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal sources	\$ 1,500	\$ 1,500	\$ -
Interest income	-	-	-
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Expenditures			
Salaries	500	500	-
Employee benefits	7	7	-
Purchased services	993	993	-
Supplies and materials	-	-	-
Capital outlay	-	-	-
Other	-	-	-
Total expenditures	<u>1,500</u>	<u>1,500</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 FAMILY LITERACY PROGRAM
For the Year Ended June 30, 2008

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 34,968	\$ 34,968	\$ -
Interest income	-	24	24
	34,968	34,992	24
Expenditures			
Salaries	18,099	12,957	5,142
Employee benefits	4,387	3,754	633
Purchased services	2,263	2,657	(394)
Supplies and materials	10,219	10,140	79
Capital outlay	-	-	-
Other	-	26	(26)
	34,968	29,534	5,434
Net change in fund balance	\$ -	5,458	\$ 5,458
Fund balance - beginning of year		-	
Fund balance - end of year		\$ 5,458	

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, 2008

Chester Office

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal sources	\$ 24,610	\$ 24,610	\$ -
Interest income	-	-	-
Total revenues	<u>24,610</u>	<u>24,610</u>	<u>-</u>
Expenditures			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased services	-	-	-
Supplies and materials	-	-	-
Other governmental units	24,610	24,610	-
Other	-	-	-
Total expenditures	<u>24,610</u>	<u>24,610</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, 2008

Chester Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 30,000	\$ 30,000	\$ -
Interest income	-	10	10
Total revenues	30,000	30,010	10
Expenditures			
Salaries	19,802	19,801	1
Employee benefits	1,765	1,362	403
Purchased services	4,483	4,718	(235)
Supplies & materials	3,950	4,119	(169)
Other	-	10	(10)
Total expenditures	30,000	30,010	(10)
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, 2008

Chester Office

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
State sources	\$ 44,688	\$ 44,688	\$ -
Interest income	-	20	20
	<u>44,688</u>	<u>44,708</u>	<u>20</u>
Total revenues	<u>44,688</u>	<u>44,708</u>	<u>20</u>
Expenditures			
Salaries	32,400	34,050	(1,650)
Employee benefits	1,625	1,692	(67)
Purchased services	9,875	8,124	1,751
Supplies and materials	788	822	(34)
Other	-	20	(20)
	<u>44,688</u>	<u>44,708</u>	<u>(20)</u>
Total expenditures	<u>44,688</u>	<u>44,708</u>	<u>(20)</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
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
WATERLOO OFFICE
June 30, 2008

	Mathematics and Science Partnership (FY 2008)	Mathematics and Science Partnership (FY 2007)	Film Co-op	Red Bud Community Project	Title I Standards Aligned Classroom Initiative
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 3,213	\$ 5,298	\$ -
Investments	-	-	-	-	-
Internal balances	-	-	-	-	-
Due from other governments					
State	-	-	-	-	-
Other	1,041	-	-	-	-
Prepaid expenses	-	-	-	-	-
TOTAL ASSETS	\$ 1,041	\$ -	\$ 3,213	\$ 5,298	\$ -
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-
Internal balances	980	-	-	-	-
Due to other governments					
State	-	-	-	-	-
Deferred revenue	61	-	-	-	-
Total liabilities	<u>1,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Reserved	-	-	-	-	-
Unreserved	-	-	3,213	5,298	-
Total fund balance	<u>-</u>	<u>-</u>	<u>3,213</u>	<u>5,298</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,041	\$ -	\$ 3,213	\$ 5,298	-

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, 2008

	Student Assistance Program Mini Grant	Rural Educator & Student Opportunities in Nuclear Science (FY 2008)	Rural Educator & Student Opportunities in Nuclear Science (FY 2007)	We the People Citizen Project	Title I School Improvement System of Support
ASSETS					
Cash and cash equivalents	\$ 985	\$ -	\$ -	\$ 549	\$ -
Investments	-	-	-	-	-
Internal balances	-	-	-	-	-
Due from other governments					
State	-	-	-	-	-
Other	-	1,622	-	-	1,649
Prepaid expenses	-	-	-	-	-
TOTAL ASSETS	<u>985</u>	<u>\$ 1,622</u>	<u>\$ -</u>	<u>\$ 549</u>	<u>\$ 1,649</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-
Internal balances	-	1,622	-	-	1,649
Due to other governments					
State	-	-	-	-	-
Deferred revenue	985	-	-	-	-
Total liabilities	<u>985</u>	<u>1,622</u>	<u>-</u>	<u>-</u>	<u>1,649</u>
FUND BALANCE					
Reserved	-	-	-	-	-
Unreserved	-	-	-	549	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>549</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 985</u>	<u>\$ 1,622</u>	<u>\$ -</u>	<u>\$ 549</u>	<u>\$ 1,649</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
WATERLOO OFFICE
June 30, 2008

	State Standards & Assessment System of Support	Great Lakes West Comprehensive Assistance	Title III English Language Learner	Beginning Teacher Induction Pilot Program	HIV/AIDS Rural Health
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 76,537	\$ -
Investments	-	-	-	-	-
Internal balances	-	-	-	-	-
Due from other governments					
State	-	-	-	-	-
Other	2,427	3,020	-	-	-
Prepaid expenses	-	-	-	-	-
TOTAL ASSETS	<u>2,427</u>	<u>\$ 3,020</u>	<u>\$ -</u>	<u>\$ 76,537</u>	<u>\$ -</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-
Internal balances	2,427	3,020	-	-	-
Due to other governments					
State	-	-	-	-	-
Deferred revenue	-	-	-	76,537	-
Total liabilities	<u>2,427</u>	<u>3,020</u>	<u>-</u>	<u>76,537</u>	<u>-</u>
FUND BALANCE					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,427</u>	<u>\$ 3,020</u>	<u>\$ -</u>	<u>\$ 76,537</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 ACCOUNTS
EDUCATION FUND
WATERLOO OFFICE
June 30, 2008

	Substance Abuse Prevention Program	Title II Teacher Quality	Title IV Safe and Drug Free School Formula	Title V Innovative Programs	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 86,582
Investments	-	-	-	-	-
Internal balances	-	-	-	-	-
Due from other governments					-
State	-	-	-	-	-
Other	3,310	-	-	-	13,069
Prepaid expenses	-	-	-	-	-
TOTAL ASSETS	\$ 3,310	\$ -	\$ -	\$ -	\$ 99,651
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-
Internal balances	3,310	-	-	-	13,008
Due to other governments					-
State	-	-	-	-	-
Deferred revenue	-	-	-	-	77,583
Total liabilities	3,310	-	-	-	90,591
FUND BALANCE					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	9,060
Total fund balance	-	-	-	-	9,060
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,310	\$ -	\$ -	\$ -	\$ 99,651

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, 2008**

	Mathematics and Science Partnership (FY 2008)	Mathematics and Science Partnership (FY 2007)	Film Co-op	Red Bud Community Project	Title I Standards Aligned Classroom Initiative
Revenues					
Local sources	\$ -	\$ -	\$ 3,940	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	16,115	11,709	-	-	13,500
Interest income	21	22	69	62	-
Total revenues	<u>16,136</u>	<u>11,731</u>	<u>4,009</u>	<u>62</u>	<u>13,500</u>
Expenditures					
Salaries	8,475	5,632	2,563	-	7,654
Employee benefits	2,258	1,715	196	-	2,007
Purchased services	4,622	1,060	2,738	-	816
Supplies and materials	760	3,302	1,126	-	3,023
Capital outlay	-	-	-	-	-
Other	21	22	-	-	-
Other governmental units	-	-	-	-	-
Total expenditures	<u>16,136</u>	<u>11,731</u>	<u>6,623</u>	<u>-</u>	<u>13,500</u>
Excess (deficiency) of revenues over expenditures	-	-	(2,614)	62	-
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	-	-	(2,614)	62	-
Fund Balance - beginning of year	<u>-</u>	<u>-</u>	<u>5,827</u>	<u>5,236</u>	<u>-</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,213</u>	<u>\$ 5,298</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, 2008**

	Student Assistance Program Mini Grant	Rural Educator & Student Opportunities in Nuclear Science (FY 2008)	Rural Educator & Student Opportunities in Nuclear Science (FY 2007)	We the People Citizen Project	Title I School Improvement System of Support
Revenues					
Local sources	\$ 42	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	5,166	1,010	7,000	11,849
Interest income	10	-	-	15	-
Total revenues	<u>52</u>	<u>5,166</u>	<u>1,010</u>	<u>7,015</u>	<u>11,849</u>
Expenditures					
Salaries	-	876	-	3,900	9,122
Employee benefits	-	219	-	404	2,305
Purchased services	52	3,384	8	2,167	422
Supplies and materials	-	687	1,002	637	-
Capital outlay	-	-	-	-	-
Other	-	-	-	-	-
Other governmental units	-	-	-	-	-
Total expenditures	<u>52</u>	<u>5,166</u>	<u>1,010</u>	<u>7,108</u>	<u>11,849</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(93)	-
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	-	-	-	(93)	-
Fund Balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>642</u>	<u>-</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549</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, 2008**

	State Standards & Assessment System of Support	Great Lakes West Comprehensive Assistance	Title III English Language Learner	Beginning Teacher Induction Pilot Program	HIV/AIDS Rural Health
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	23,144	-	-	14,588	50,000
Federal sources	-	25,000	5,000	-	-
Interest income	-	-	14	-	-
Total revenues	<u>23,144</u>	<u>25,000</u>	<u>5,014</u>	<u>14,588</u>	<u>50,000</u>
Expenditures					
Salaries	18,772	23,600	3,500	7,000	3,575
Employee benefits	2,377	342	51	102	1,338
Purchased services	1,995	1,058	986	1,779	17,164
Supplies and materials	-	-	463	5,707	3,342
Capital outlay	-	-	-	-	-
Other	-	-	14	-	-
Other governmental units	-	-	-	-	24,581
Total expenditures	<u>23,144</u>	<u>25,000</u>	<u>5,014</u>	<u>14,588</u>	<u>50,000</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
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
For the Year Ended June 30, 2008**

	Substance Abuse Prevention Program	Title II Teacher Quality	Title IV Safe and Drug Free School Formula	Title V Innovative Programs	Total
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 3,982
State sources	6,668	-	-	-	94,400
Federal sources	-	1,563	270	163	98,345
Interest income	-	-	-	-	213
Total revenues	<u>6,668</u>	<u>1,563</u>	<u>270</u>	<u>163</u>	<u>196,940</u>
Expenditures					
Salaries	5,600	-	-	-	100,269
Employee benefits	428	-	-	-	13,742
Purchased services	640	1,563	-	163	40,617
Supplies and materials	-	-	270	-	20,319
Capital outlay	-	-	-	-	-
Other	-	-	-	-	57
Other governmental units	-	-	-	-	24,581
Total expenditures	<u>6,668</u>	<u>1,563</u>	<u>270</u>	<u>163</u>	<u>199,585</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	(2,645)
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	-	-	-	-	(2,645)
Fund Balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,705</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,060</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 2008)
For the Year Ended June 30, 2008

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal sources	\$ 25,795	\$ 16,115	\$ (9,680)
Interest	-	21	21
Total revenue	25,795	16,136	(9,659)
Expenditures			
Salaries	9,690	8,475	1,215
Employee benefits	2,645	2,258	387
Purchased services	11,130	4,622	6,508
Supplies and materials	2,330	760	1,570
Other	-	21	(21)
Total expenditures	25,795	16,136	9,659
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
MATHEMATICS AND SCIENCE PARTNERSHIP (FY 2007)
For the Year Ended June 30, 2008**

Waterloo Office

	<u>Budget</u>	<u>July 1, 2006 - June 30, 2007 Actual</u>	<u>July 1, 2007 - June 30, 2008 Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Federal sources	\$ 29,677	\$ 17,968	\$ 11,709	\$ -
Interest income	-	-	22	22
Total revenues	<u>29,677</u>	<u>17,968</u>	<u>11,731</u>	<u>22</u>
Expenditures				
Salaries	17,477	11,914	5,632	(69)
Employee benefits	4,552	3,017	1,715	(180)
Purchased services	4,057	2,388	1,060	609
Supplies and materials	3,591	649	3,302	(360)
Other	-	-	22	(22)
Total expenditures	<u>29,677</u>	<u>17,968</u>	<u>11,731</u>	<u>(22)</u>
Net change in fund balance	<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 I STANDARDS ALIGNED CLASSROOM INITIATIVE
For the Year Ended June 30, 2008

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal sources	\$ 13,500	\$ 13,500	\$ -
Interest income	-	-	-
	13,500	13,500	-
Total revenue	13,500	13,500	-
Expenditures			
Salaries	6,932	7,654	(722)
Employee benefits	1,803	2,007	(204)
Purchased services	1,765	816	949
Supplies and materials	3,000	3,023	(23)
Other	-	-	-
	-	-	-
Total expenditures	13,500	13,500	-
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 (FY 2008)
For the Year Ended June 30, 2008

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal sources	\$ 5,600	\$ 5,166	\$ (434)
Interest income	-	-	-
Total revenues	5,600	5,166	(434)
Expenditures			
Salaries	876	876	-
Employee benefits	219	219	-
Purchased services	3,734	3,384	350
Supplies and materials	771	687	84
Other	-	-	-
Total expenditures	5,600	5,166	434
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 (FY 2007)
For the Year Ended June 30, 2008

Waterloo Office

	<u>Budget</u>	<u>July 1, 2006 - June 30, 2007 Actual</u>	<u>July 1, 2007 - June 30, 2008 Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Federal sources	\$ 6,260	\$ 5,250	\$ 1,010	\$ -
Interest income	-	-	-	-
Total revenues	<u>6,260</u>	<u>5,250</u>	<u>1,010</u>	<u>-</u>
Expenditures				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	4,200	3,966	8	226
Supplies and materials	2,060	1,284	1,002	(226)
Other	-	-	-	-
Total expenditures	<u>6,260</u>	<u>5,250</u>	<u>1,010</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 I SCHOOL IMPROVEMENT SYSTEM OF SUPPORT
For the Year Ended June 30, 2008

Waterloo Office

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal sources	\$ 15,082	\$ 11,849	\$ (3,233)
Interest income	-	-	-
Total revenues	<u>15,082</u>	<u>11,849</u>	<u>(3,233)</u>
Expenditures			
Salaries	11,201	9,122	2,079
Employee benefits	2,713	2,305	408
Purchased services	1,168	422	746
Supplies and materials	-	-	-
Other	-	-	-
Total expenditures	<u>15,082</u>	<u>11,849</u>	<u>3,233</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
STATE STANDARDS & ASSESSMENT SYSTEM OF SUPPORT
For the Year Ended June 30, 2008

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 25,333	\$ 23,144	\$ (2,189)
Interest income	-	-	-
Total revenues	25,333	23,144	(2,189)
Expenditures			
Salaries	20,529	18,772	1,757
Employee benefits	2,232	2,377	(145)
Purchased services	2,572	1,995	577
Supplies and materials	-	-	-
Other	-	-	-
Total expenditures	25,333	23,144	2,189
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
GREAT LAKES WEST COMPREHENSIVE ASSISTANCE
For the Year Ended June 30, 2008

Waterloo Office

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Federal sources	\$ 25,000	\$ 25,000	\$ -
Interest income	-	-	-
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Expenditures			
Salaries	23,270	23,600	(330)
Employee benefits	340	342	(2)
Purchased services	1,390	1,058	332
Supplies and materials	-	-	-
Other	-	-	-
Total expenditures	<u>25,000</u>	<u>25,000</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
TITLE III ENGLISH LANGUAGE LEARNER
For the Year Ended June 30, 2008

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal sources	\$ 5,000	\$ 5,000	\$ -
Interest income	-	14	14
Total revenues	5,000	5,014	14
Expenditures			
Salaries	3,500	3,500	-
Employee benefits	52	51	1
Purchased services	1,168	986	182
Supplies and materials	280	463	(183)
Other	-	14	(14)
Total expenditures	5,000	5,014	(14)
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
BEGINNING TEACHER INDUCTION PILOT PROGRAM
For the Year Ended June 30, 2008

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 91,095	\$ 14,588	\$ (76,507)
Interest income	-	-	-
Total revenues	91,095	14,588	(76,507)
Expenditures			
Salaries	15,000	7,000	8,000
Employee benefits	220	102	118
Purchased services	58,755	1,779	56,976
Supplies and materials	17,120	5,707	11,413
Other	-	-	-
Total expenditures	91,095	14,588	76,507
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
HIV/AIDS RURAL HEALTH
For the Year Ended June 30, 2008

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 50,000	\$ 50,000	\$ -
Interest income	-	-	-
Total revenues	50,000	50,000	-
Expenditures			
Salaries	3,575	3,575	-
Employee benefits	1,338	1,338	-
Purchased services	13,820	17,164	(3,344)
Supplies and materials	6,686	3,342	3,344
Other	-	-	-
Other governmental units	24,581	24,581	-
Total expenditures	50,000	50,000	-
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
SUBSTANCE ABUSE PREVENTION PROGRAM
For the Year Ended June 30, 2008

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
State sources	\$ 6,680	\$ 6,668	\$ (12)
Interest income	-	-	-
	6,680	6,668	(12)
Total revenues	6,680	6,668	(12)
Expenditures			
Salaries	5,600	5,600	-
Employee benefits	429	428	1
Purchased services	651	640	11
Supplies and materials	-	-	-
Other	-	-	-
Other governmental units	-	-	-
	6,680	6,668	12
Total expenditures	6,680	6,668	12
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 II TEACHER QUALITY
For the Year Ended June 30, 2008

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal sources	\$ 1,563	\$ 1,563	\$ -
Interest income	-	-	-
Total revenues	<u>1,563</u>	<u>1,563</u>	<u>-</u>
Expenditures			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased services	1,563	1,563	-
Supplies and materials	-	-	-
Other	-	-	-
Total expenditures	<u>1,563</u>	<u>1,563</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
TITLE IV SAFE AND DRUG FREE SCHOOL FORMULA
For the Year Ended June 30, 2008

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal sources	\$ 270	\$ 270	\$ -
Interest income	-	-	-
	270	270	-
Total revenues	270	270	-
Expenditures			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased services	170	-	170
Supplies and materials	100	270	(170)
Other	-	-	-
	270	270	-
Total expenditures	270	270	-
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 V INNOVATIVE PROGRAMS
 For the Year Ended June 30, 2008

Waterloo Office

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal sources	\$ 163	\$ 163	\$ -
Interest income	-	-	-
Total revenues	163	163	-
Expenditures			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased services	163	163	-
Supplies and materials	-	-	-
Other	-	-	-
Total expenditures	163	163	-
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 BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2008

	Teacher's Institute	Bus Driver Permit Fund	General Education Development Fund	Supervisory Expense Fund	Total
	Waterloo	Waterloo	Waterloo	Waterloo	
ASSETS					
Cash and cash equivalents	\$ 33,356	\$ 180	\$ 17,022	\$ -	\$ 50,558
Investments	11,000	-	-	-	11,000
Internal balances	-	-	-	-	-
Due from other governments					
State	-	-	-	-	-
Other	-	-	-	-	-
Prepaid Expenses	2,625	-	-	-	2,625
TOTAL ASSETS	\$ 46,981	\$ 180	\$ 17,022	\$ -	\$ 64,183
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-
Internal balances	-	-	-	-	-
Due to other governments					
State	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total Liabilities	-	-	-	-	-
FUND BALANCE					
Reserved	-	-	-	-	-
Unreserved	46,981	180	17,022	-	64,183
Total fund balances	46,981	180	17,022	-	64,183
TOTAL LIABILITIES AND FUND BALANCE	\$ 46,981	\$ 180	\$ 17,022	\$ -	\$ 64,183

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 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2008**

	Teacher's Institute	Bus Driver Permit Fund	General Education Development Fund	Supervisory Expense Fund	Total
	Waterloo	Waterloo	Waterloo	Waterloo	Total
Revenues					
Local sources	\$ 7,663	\$ 864	\$ 4,788	\$ -	\$ 13,315
State sources	-	600	-	2,000	2,600
Interest income	919	2	182	-	1,103
Total Revenues	<u>8,582</u>	<u>1,466</u>	<u>4,970</u>	<u>2,000</u>	<u>17,018</u>
Expenditures					
Salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased services	1,596	1,912	1,507	2,000	7,015
Supplies and materials	-	8	1,265	-	1,273
Capital outlay	-	-	-	-	-
Other	-	-	-	-	-
Total Expenditures	<u>1,596</u>	<u>1,920</u>	<u>2,772</u>	<u>2,000</u>	<u>8,288</u>
Excess (deficiency) of revenues over expenditures	6,986	(454)	2,198	-	8,730
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	6,986	(454)	2,198	-	8,730
Fund balance - beginning of year (restated)	<u>39,995</u>	<u>634</u>	<u>14,824</u>	<u>-</u>	<u>55,453</u>
Fund balance - end of year	<u>\$ 46,981</u>	<u>\$ 180</u>	<u>\$ 17,022</u>	<u>\$ -</u>	<u>\$ 64,183</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, 2008

	Distributive Fund	Human Services Educational/ Vocational Project Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 421,785	\$ 421,785
Investments	-	1,200,000	1,200,000
Due from other governments	-	20,892	20,892
TOTAL ASSETS	\$ -	\$ 1,642,677	\$ 1,642,677
LIABILITIES			
Accounts payable	\$ -	-	-
Accrued wages and benefits	-	-	-
Due to other governments	-	1,642,677	1,642,677
TOTAL LIABILITIES	\$ -	\$ 1,642,677	\$ 1,642,677

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, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<u>Distributive Fund</u>				
ASSETS				
Cash	\$ -	\$ 2,172,167	\$ 2,172,167	\$ -
TOTAL ASSETS	\$ -	\$ 2,172,167	\$ 2,172,167	\$ -
LIABILITIES				
Due to other funds	\$ -	\$ 319	\$ 319	\$ -
Due to local educational agencies	-	2,171,848	2,171,848	-
TOTAL LIABILITIES	\$ -	\$ 2,172,167	\$ 2,172,167	\$ -

Human Services Educational/Vocational Project

ASSETS				
Cash	\$ 514,353	\$ 1,008,415	\$ 1,100,983	\$ 421,785
Investments	1,200,000	-	-	1,200,000
Due from other governments	-	20,892	-	20,892
TOTAL ASSETS	\$ 1,714,353	\$ 1,029,307	\$ 1,100,983	\$ 1,642,677
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to local educational agencies	1,714,353	1,029,307	1,100,983	1,642,677
TOTAL LIABILITIES	\$ 1,714,353	\$ 1,029,307	\$ 1,100,983	\$ 1,642,677

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, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>Total</u>				
ASSETS				
Cash	\$ 514,353	\$ 3,180,582	\$ 3,273,150	\$ 421,785
Investments	1,200,000	-	-	1,200,000
Due from other governments	-	20,892	-	20,892
	<u>1,714,353</u>	<u>3,201,474</u>	<u>3,273,150</u>	<u>1,642,677</u>
TOTAL ASSETS	<u>\$ 1,714,353</u>	<u>\$ 3,201,474</u>	<u>\$ 3,273,150</u>	<u>\$ 1,642,677</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	319	319	-
Due to local educational agencies	1,714,353	3,201,155	3,272,831	1,642,677
	<u>1,714,353</u>	<u>3,201,155</u>	<u>3,272,831</u>	<u>1,642,677</u>
TOTAL LIABILITIES	<u>\$ 1,714,353</u>	<u>\$ 3,201,474</u>	<u>\$ 3,273,150</u>	<u>\$ 1,642,677</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, 2008**

DISTRIBUTIONS	Acct. No.	ROE #45	BECK AREA VOCATIONAL CENTER	MENTAL HEALTH
Local Funds				
Distributive Fund Interest	1510	\$ 319	\$ -	\$ -
Total Local Funds		<u>319</u>	<u>-</u>	<u>-</u>
State Funds				
General State Aid - Sec. 18-8	3001	116,056	662,621	-
General State Aid - Hold Harmless	3002	-	-	-
Special Ed. - Extraordinary	3105	-	-	-
Voc. Ed. - Secondary Program Improvement	3220	-	-	653,882
Voc. Ed. - Agricultural Education	3235	-	-	-
State Free Lunch & Breakfast	3360	130	455	-
Transportation - Regular	3500	-	95,923	-
ROE School Bus Driver Training	3520	600	-	-
Truants Alternative/Operational Ed.	3695	44,688	-	-
Regional Safe Schools Program	3696	107,836	-	-
ROE/ESC Operations	3730	71,173	-	-
Supervisory	3745	2,000	-	-
ADA Safety & Education Block Grant	3775	-	-	-
Teacher Mentoring Pilot Program	3982	91,095	-	-
Total State Funds		<u>433,578</u>	<u>758,999</u>	<u>653,882</u>
Federal Funds				
Title VI - Formula	4100	-	163	-
National School Lunch Program	4210	2,878	12,251	-
IASA - Even Start	4335	75,638	-	-
IASA - Drug Free Schools - Formula	4400	-	267	-
Fed. - Sp. Ed. - Pre-School Flow Through	4600	-	-	28,964
Fed. - Sp. Ed. - IDEA - Flow Through	4620	-	-	40,529
V.E. PERKINS	4740	-	-	194,204
V. E. - Perkins - Title IIC - Secondary	4745	-	-	-
Learn and Serve America	4910	6,500	-	-
Title II - Teacher Quality	4932	-	1,563	-
ELL Grant	4999	5,000	-	-
Total Federal Funds		<u>90,016</u>	<u>14,244</u>	<u>263,697</u>
TOTAL DISTRIBUTIONS		<u>\$ 523,913</u>	<u>\$ 773,243</u>	<u>\$ 917,579</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, 2008**

DISTRIBUTIONS	Acct. No.	CHESTER NHSD 122	OKAW REGIONAL VOC SYSTEM-EFE	TOTAL
Local Funds				
Distributive Fund Interest	1510	\$ -	\$ -	\$ 319
Total Local Funds		-	-	319
State Funds				
General State Aid - Sec. 18-8	3001	69,396	-	848,073
General State Aid - Hold Harmless	3002	66,650	-	66,650
Special Ed. - Extraordinary	3105	3,277	-	3,277
Voc. Ed. - Secondary Program Improvement	3220	-	598,824	1,252,706
Voc. Ed. - Agricultural Education	3235	-	22,092	22,092
State Free Lunch & Breakfast	3360	-	-	585
Transportation - Regular	3500	13,851	-	109,774
ROE School Bus Driver Training	3520	-	-	600
Truants Alternative/Operational Ed.	3695	-	-	44,688
Regional Safe Schools Program	3696	-	-	107,836
ROE/ESC Operations	3730	-	-	71,173
Supervisory	3745	-	-	2,000
ADA Safety & Education Block Grant	3775	1,041	-	1,041
Teacher Mentoring Pilot Program	3982	-	-	91,095
Total State Funds		154,215	620,916	2,621,590
Federal Funds				
Title VI - Formula	4100	-	-	163
National School Lunch Program	4210	-	-	15,129
IASA - Even Start	4335	-	-	75,638
IASA - Drug Free Schools - Formula	4400	-	-	267
Fed. - Sp. Ed. - Pre-School Flow Through	4600	-	-	28,964
Fed. - Sp. Ed. - IDEA - Flow Through	4620	-	-	40,529
V.E. PERKINS	4740	-	-	194,204
V. E. - Perkins - Title IIC - Secondary	4745	-	97,024	97,024
Learn and Serve America	4910	-	-	6,500
Title II - Teacher Quality	4932	-	-	1,563
ELL Grant	4999	-	-	5,000
Total Federal Funds		-	97,024	464,981
TOTAL DISTRIBUTIONS		\$ 154,215	\$ 717,940	\$ 3,086,890

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