

**State of Illinois**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**FINANCIAL AUDIT**  
**(In Accordance with the Single Audit Act**  
**& OMB Circular A-133)**  
**For the Year Ended June 30, 2011**

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

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**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

**OFFICIALS**

Regional Superintendent  
(Current and during the Audit Period)

Mr. Marc L. Kiehna

Assistant Regional Superintendent  
(Current and during the 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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

**COMPLIANCE REPORT SUMMARY**

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

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

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
11-01	12	Inadequate Monitoring of Collateral on Deposits	Material Weakness

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

**EXIT CONFERENCE**

An informal exit conference was held with Agency personnel on September 12, 2011 to review the auditor's report. Attending were Marc Kiehna, Regional Superintendent, Kelton Davis, Assistant Regional Superintendent, Linda Schmidt, Comptroller, Michelle Coleman, Fiscal Assistant, Kimberly Walker, CPA, Partner, Kemper CPA Group LLP, and Kara Bevis, Senior, Kemper CPA Group LLP. Responses to the recommendations were provided by Marc Kiehna, Regional Superintendent on 12/15/2011.

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

**FINANCIAL STATEMENT REPORT SUMMARY**

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

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monroe and Randolph Counties Regional Office of Education #45, as of and for the year ended June 30, 2011, which collectively comprise the Monroe and Randolph Counties Regional Office of Education #45's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Monroe and Randolph Counties Regional Office of Education #45's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monroe and Randolph Counties Regional Office of Education #45, as of June 30, 2011, 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.

The Monroe and Randolph Counties Regional Office of Education #45 adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the Monroe and Randolph Counties Regional Office of Education #45's governmental funds' assets or liabilities nor was there any effect to the total amount of any of the Monroe and Randolph Counties Regional Office of Education #45's governmental fund balances as of and for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 01, 2012 on our consideration of the Monroe and Randolph Counties Regional Office of Education #45's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a-16h and 50 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 Monroe and Randolph Counties Regional Office of Education #45's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the 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 accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards 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.



KEMPER CPA GROUP LLP  
*Certified Public Accountants and Consultants*

Marion, Illinois  
February 01, 2012

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monroe and Randolph Counties Regional Office of Education #45, as of and for the year ended June 30, 2011, which collectively comprise the Monroe and Randolph Counties Regional Office of Education #45's basic financial statements and have issued our report thereon dated February 01, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in finding 11-01 in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Monroe and Randolph Counties Regional Office of Education #45's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 11-01.

We also noted certain matters which we have reported to management of the Monroe and Randolph Counties Regional Office of Education #45 in a separate letter dated February 01, 2012.

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

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

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP

*Certified Public Accountants and Consultants*

Marion, Illinois  
February 01, 2012

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

Honorable William G. Holland  
Auditor General  
State of Illinois

Compliance

We have audited the Monroe and Randolph Counties Regional Office of Education #45's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Monroe and Randolph Counties Regional Office of Education #45's major federal programs for the year ended June 30, 2011. The Monroe and Randolph Counties Regional Office of Education #45's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Monroe and Randolph Counties Regional Office of Education #45's management. Our responsibility is to express an opinion on the Monroe and Randolph Counties Regional Office of Education #45's compliance based on our audit.

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

In our opinion, the Monroe and Randolph Counties Regional Office of Education #45 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

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

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

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



KEMPER CPA GROUP LLP  
*Certified Public Accountants and Consultants*

Marion, Illinois  
February 01, 2012

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant Deficiency(ies) identified that are not considered to be material weakness(es)? No
- Noncompliance material to financial statements noted? Yes

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? No
- Significant Deficiency(ies) identified that are not considered to be material weakness(es)? No

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)? No

Identification of **major** programs:

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

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

Auditee qualified as a low-risk auditee? No

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding No.: 11-01 – Inadequate Monitoring of Collateral on Deposits**

**Criteria/Specific Requirement:**

The Public Funds Deposit Act (30 ILCS 225/1) gives the authorization for deposits in excess of the federally insured limit to be covered by pledged collateral held by the financial institutions' trust departments in the Regional Office of Education #45's name. In addition, prudent business practice requires that all cash and investments held by financial institutions for the ROE be adequately covered by depository insurance or collateral.

**Condition:**

As of June 30, 2011, cash account balances with one bank totaled \$425,601. The Federal Deposit Insurance Corporation (FDIC) covers up to a maximum of \$250,000. Additional collateral totaling \$61,404 was received as of June 30, 2011. The Regional Office of Education #45 had made a formal arrangement with the bank to automatically provide additional collateral for balances exceeding the FDIC coverage; however, additional collateral was not provided by the bank for the balance of \$114,197.

**Effect:**

Failure to secure full collateral on cash balances may result in monetary losses to the Regional Office of Education #45.

**Cause:**

According to the Regional Office of Education #45 management, the required additional collateral for the Regional Office of Education #45's deposits was due to the bank insufficiently monitoring account balances when assigning collateral.

**Recommendation:**

The Regional Office of Education #45 should monitor collateral held for its bank accounts. The Regional Office of Education #45 should also establish controls for confirming amounts pledged by the bank on a regular basis, especially when cash balances exceed the FDIC level.

**Management's Response:**

The Regional Office of Education #45 agrees with the finding. Management will meet with bank personnel to review the agreement about additional collateral for the Regional Office of Education and to request a regular statement showing the amounts that have been pledged. The Regional Office of Education #45's staff will more closely monitor collateral pledged on bank account balances.

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2011**

**CORRECTIVE ACTION PLAN**

**Finding No.: 11-01 – Inadequate Monitoring of Collateral on Deposits**

**Condition:**

As of June 30, 2011, cash account balances with one bank totaled \$425,601. The Federal Deposit Insurance Corporation (FDIC) covers up to a maximum of \$250,000. Additional collateral totaling \$61,404 was received as of June 30, 2011. The Regional Office of Education #45 had made a formal arrangement with the bank to automatically provide additional collateral for balances exceeding the FDIC coverage; however, additional collateral was not obtained for the balance of \$114,197.

**Plan:**

Management will meet with bank personnel to review the agreement about additional collateral for the Regional Office of Education and to request a regular statement showing the amounts that have been pledged. The Regional Office of Education #45's staff will more closely monitor collateral pledged on bank account balances.

**Anticipated Date of Completion:**

September 30, 2011

**Name of Contact Person:**

Marc Kiehna, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2011**

<u><b>Finding Number</b></u>	<u><b>Condition</b></u>	<u><b>Current Status</b></u>
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	There are no prior year findings.	
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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

**Management's Discussion and Analysis**

As management of Monroe and Randolph Counties Regional Office of Education #45 (ROE #45), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the ROE #45 for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with ROE #45's financial statements, which follow this section.

**2011 Financial Highlights**

- The assets of Regional Office of Education #45 exceeded its liabilities by \$844,468 (net assets). Of this amount, \$62,478 is restricted for educational purposes. \$56,288 accounts for the capital assets with no related debt.
- The Regional Office of Education #45's total net assets increased by \$32,999. This change was partially attributable to an increase in cash of \$90,508 and a decrease in the amount due from governmental activities of \$6,179. Deferred revenue for grants ending after June 30, 2011 reflected a \$143,207 increase from the previous year.
- The capital assets (net) of Regional Office of Education #45 decreased by \$11,630 mostly attributable to the disposal of depreciated assets. The net change in accumulated depreciation was a decrease of \$13,710 which is similar to the prior year. See note #8 for further details.

**Overview of the Financial Statements**

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

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

**Management's Discussion and Analysis (Continued)**

**Overview of the Financial Statements (Continued)**

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

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

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

**Management's Discussion and Analysis (Continued)**

**Overview of the Financial Statements (Continued)**

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

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

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

**Management's Discussion and Analysis (Continued)**

**Overview of the Financial Statements (Concluded)**

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning ROE #45. Overall budgeting is not a legal requirement for ROE #45. Accordingly, formal budgets are not adopted; and therefore, budgetary comparison schedules are not included in the required supplementary information (RSI). However, ROE #45 is the recipient of monies from the Illinois State Board of Education (ISBE) for certain accounts within the general fund and for most accounts within the education fund on which ISBE requires budgetary comparison to actual results. Budgetary comparison schedules have been provided for the ISBE accounts to demonstrate compliance and can be found on pages 65-69, and 76-88 of this report. In addition, budgetary comparison schedules have been provided for the grants received from the Illinois Community College Board (ICCB), which can be found on pages 61-64 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and combining statements for the general and education funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 51-60, 70-75, and 89-92 of this report.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of financial position. In the case of ROE #45, assets exceeded liabilities by \$844,468 at the close of fiscal year 2011.

ROE #45's net assets are split approximately 79% to governmental activities and 21% to business-type activities. Of the governmental net assets, approximately 8% are invested in capital assets, 9% restricted as to use, and the remaining 83% unrestricted as to use.

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

**Management's Discussion and Analysis (Continued)**

**Government-wide Financial Analysis (Continued)**

	ROE 45's Net Assets					
	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Current and other assets</b>	\$ 844,414	\$ 635,811	\$ 179,701	\$ 309,148	\$ 1,024,115	\$ 944,959
<b>Capital assets</b>	<u>55,351</u>	<u>66,693</u>	<u>937</u>	<u>1,225</u>	<u>56,288</u>	<u>67,918</u>
<b>Total assets</b>	<u>899,765</u>	<u>702,504</u>	<u>180,638</u>	<u>310,373</u>	<u>1,080,403</u>	<u>1,012,877</u>
<b>Other liabilities</b>	228,915	43,493	7,020	157,915	235,935	201,408
<b>Long-term debt</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>228,915</u>	<u>43,493</u>	<u>7,020</u>	<u>157,915</u>	<u>235,935</u>	<u>201,408</u>
<b>Net assets:</b>						
<b>Invested in capital assets, net of related debt</b>	55,351	66,693	937	1,225	56,288	67,918
<b>Restricted</b>	62,478	39,958	-	-	62,478	39,958
<b>Unrestricted</b>	<u>553,021</u>	<u>552,360</u>	<u>172,681</u>	<u>151,233</u>	<u>725,702</u>	<u>703,593</u>
<b>Total net assets</b>	<u>\$ 670,850</u>	<u>\$ 659,011</u>	<u>\$ 173,618</u>	<u>\$ 152,458</u>	<u>\$ 844,468</u>	<u>\$ 811,469</u>

During 2011, current assets, comprised predominately of cash and receivables, increased \$79,156 due mainly to acquiring additional grants. There was an increase in the amount of current assets and a decrease of \$11,630 for capital assets. The net assets of the business-type activities increased by \$21,160. A portion of the increase in the net assets of the business type activities are attributed to the facilitation of the academic credit for teachers involved in the statewide Gifted Education Program.

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 \$844,468 (net assets). Approximately 86% of net assets are unrestricted and 7% is restricted for specific purposes of governmental activities. The investment in net capital assets was \$56,288 at June 30, 2011. ROE #45 uses these capital assets in providing services to its citizens; consequently, these assets are not available for future spending.

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

**Management's Discussion and Analysis (Continued)**

**Government-wide Financial Analysis (Concluded)**

Net assets of ROE #45 increased by \$32,999 during 2011. Governmental activities contributed an increase of \$11,839 Business-type activities increased by \$21,160. Key elements of the change are as follows:

	<b>ROE 45's Changes in Net Assets</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program revenues:						
Charges for services	\$ 18,957	\$ 23,312	\$ 120,951	\$ 82,009	\$ 139,908	\$ 105,321
Operating grants & contributions	1,276,653	907,454	810	2,735	1,277,463	910,189
General revenues:						
Local sources	387,885	304,483	-	-	387,885	304,483
State sources	108,387	55,849	-	-	108,387	55,849
Transfers	-	-	-	-	-	-
On-behalf payments	317,860	322,329	-	-	317,860	322,329
Interest	2,446	6,564	1,136	1,641	3,582	8,205
Total revenues	<u>2,112,188</u>	<u>1,619,991</u>	<u>122,897</u>	<u>86,385</u>	<u>2,235,085</u>	<u>1,706,376</u>
Expenses:						
Salaries and benefits	789,046	773,966	53,060	25,768	842,106	799,734
Purchased services	416,769	312,948	43,634	18,831	460,403	331,779
Supplies and materials	192,984	93,189	4,741	4,661	197,725	97,850
Payments to Govts	357,762	97,988	-	-	357,762	97,988
Other	10,995	13,890	14	-	11,009	13,890
Depreciation	14,933	12,703	288	216	15,221	12,919
On-behalf payments	317,860	322,329	-	-	317,860	322,329
Total expenses	<u>2,100,349</u>	<u>1,627,013</u>	<u>101,737</u>	<u>49,476</u>	<u>2,202,086</u>	<u>1,676,489</u>
Increase (decrease) in net assets	11,839	(7,022)	21,160	36,909	32,999	29,887
Net assets-beginning	<u>659,011</u>	<u>666,033</u>	<u>152,458</u>	<u>115,549</u>	<u>811,469</u>	<u>781,582</u>
Net assets-ending	<u>\$ 670,850</u>	<u>\$ 659,011</u>	<u>\$ 173,618</u>	<u>\$ 152,458</u>	<u>\$ 844,468</u>	<u>\$ 811,469</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

**Management's Discussion and Analysis (Continued)**

**Governmental Activities**

Revenues for governmental activities were \$2,112,188 and expenses were \$2,100,349. Revenues increased \$492,197 due mostly to the receipt of additional grants for Mathematics and Science during the year ended June 30, 2011.

With the substantial increase in revenues, we could expect to see an increase in expenses as well. Overall governmental expenses increased approximately \$477,805 (exclusive of on-behalf payments) consisting primarily of a increase of approximately \$15,080 in salaries and benefits, \$103,821 in purchased services, \$99,795 in supplies and materials and \$2,230 in depreciation. Payments to other governments increased by \$259,774 and other expenses decreased by \$2,895. The increase in payment of other governments, purchased services and supplies and materials was directly related to an increase of grant funding. The depreciation increase was minimal at \$2,230.

**Business-Type Activities**

The charges for services increased by \$38,942 when compared to 2010. A large portion of the increase is attributable to the facilitation of the academic credit for teachers involved in the statewide Gifted Education Program. Overall expenses increased by \$52,261 when compared to 2010. Salaries and benefits increased by \$27,292. A portion of this increase is attributable to clerical support for the statewide Gifted Education Program. Purchased services increased by \$24,803, and supplies and materials increased a minimal amount of \$80.

**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 \$581,836 an increase of \$13,729 from last year's ending fund balance of \$568,107. The increase is mostly attributable to increases in deferred revenue and accounts payable and a decrease of assets due from other governments.

The general fund is the chief operating fund of ROE #45. The beginning fund balance numbers shown here reflect a reclassification of \$193,086 of General State Aid from the education fund to the general fund. The reclassification was due to the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. At the end of the current fiscal year, the nonspendable, assigned, and unassigned fund balance of the general fund increased by \$28,454 after the reflection of the \$193,086 reclassification. The education fund decreased by \$12,972 to (\$25,708), excluding the decrease of the \$193,086 reclassification explained above. The education fund balance, consisting of nonspendable, assigned, and unassigned amounts, is for specific education program use.

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2011**

**Management's Discussion and Analysis (Continued)**

**Budgetary Highlights**

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

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

**Capital Assets**

	<b>ROE 45's Capital Assets</b>					
	<b>Net of Accumulated Depreciation</b>					
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Equipment	\$ 55,351	\$ 66,693	\$ 937	\$ 1,225	\$ 56,288	\$ 67,918

At June 30, 2011 and June 30, 2010, ROE #45 had invested \$197,407 and \$222,747 respectively, in a broad range of capital assets, including office equipment, computers and audio-visual equipment.

ROE #45 had depreciation expense of \$15,221 and \$12,919 in 2011 and 2010, respectively, with accumulated depreciation of \$141,119 and \$154,829 at June 30, 2011 and 2010, respectively. More detailed information about capital assets is available in Note 8 to the financial statements.

During fiscal year 2011, the ROE scrapped obsolete electronic equipment that had an original cost of \$28,931. 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 uncertain about funding for next year. Several state and federal grants are being reviewed for continuation which include Title I School Improvement System of Support, Title II - Teacher Quality, Mathematics & Science Partnership, and Beginning Teacher Induction Pilot Program.

**Contacting ROE #45's Financial Management**

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

## **BASIC FINANCIAL STATEMENTS**

**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**STATEMENT OF NET ASSETS**  
**June 30, 2011**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 707,162	\$ 147,742	\$ 854,904
Due from other governments	130,910	31,959	162,869
Prepaid expenses	6,342	-	6,342
Total Current Assets	844,414	179,701	1,024,115
Noncurrent Assets			
Capital assets, being depreciated, net	55,351	937	56,288
Total Noncurrent Assets	55,351	937	56,288
Total Assets	899,765	180,638	1,080,403
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	31,901	-	31,901
Accrued wages and benefits	19,692	-	19,692
Deferred revenue	177,322	-	177,322
Due to other governments	-	7,020	7,020
Total Current Liabilities	228,915	7,020	235,935
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	55,351	937	56,288
Restricted for educational purposes	62,478	-	62,478
Unrestricted	553,021	172,681	725,702
TOTAL NET ASSETS	\$ 670,850	\$ 173,618	\$ 844,468

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2011**

	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
<b>FUNCTIONS/PROGRAMS</b>							
<b>Primary Government</b>							
Governmental activities							
Instructional services							
Salaries	\$ 615,530	\$ 1,945	\$ 383,655	\$ -	\$ (229,930)	\$ -	\$ (229,930)
Employees benefits	173,516	79	78,060	-	(95,377)	-	(95,377)
Purchased services	416,769	13,752	280,919	-	(122,098)	-	(122,098)
Supplies and materials	192,984	2,582	172,206	-	(18,196)	-	(18,196)
Other	10,995	599	460	-	(9,936)	-	(9,936)
Payments to other governments	357,762	-	357,762	-	-	-	-
Depreciation	14,933	-	3,591	-	(11,342)	-	(11,342)
Administrative							
On-behalf payments - State	317,860	-	-	-	(317,860)	-	(317,860)
Total Governmental Activities	<u>2,100,349</u>	<u>18,957</u>	<u>1,276,653</u>	<u>-</u>	<u>(804,739)</u>	<u>-</u>	<u>(804,739)</u>
Business-type activities							
Registration services	101,737	120,951	810	-	-	20,024	20,024
Total Business-Type Activities	<u>101,737</u>	<u>120,951</u>	<u>810</u>	<u>-</u>	<u>-</u>	<u>20,024</u>	<u>20,024</u>
Total Primary Government	<u>\$ 2,202,086</u>	<u>\$ 139,908</u>	<u>\$ 1,277,463</u>	<u>\$ -</u>	<u>(804,739)</u>	<u>20,024</u>	<u>(784,715)</u>
General revenues							
Local sources					387,885	-	387,885
State sources					108,387	-	108,387
On-behalf payments - State					317,860	-	317,860
Interest					2,446	1,136	3,582
Total General Revenues					<u>816,578</u>	<u>1,136</u>	<u>817,714</u>
Change in Net Assets							
					11,839	21,160	32,999
Net Assets - Beginning							
					659,011	152,458	811,469
Net Assets - Ending							
					<u>\$ 670,850</u>	<u>\$ 173,618</u>	<u>\$ 844,468</u>

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2011**

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 437,452	\$ 213,564	\$ 56,146	\$ -	\$ 707,162
Due from other funds	127,070	-	-	(127,070)	-
Due from other governments	3,850	126,990	70	-	130,910
Prepaid expenses	6,262	80	-	-	6,342
<b>Total Assets</b>	<b>\$ 574,634</b>	<b>\$ 340,634</b>	<b>\$ 56,216</b>	<b>\$ (127,070)</b>	<b>\$ 844,414</b>
<b>Liabilities</b>					
Accounts payable	\$ 66	\$ 31,835	\$ -	\$ -	\$ 31,901
Accrued wages and benefits	19,692	-	-	-	19,692
Due to other funds	-	127,070	-	(127,070)	-
Deferred revenue	3,548	207,437	-	-	210,985
<b>Total liabilities</b>	<b>23,306</b>	<b>366,342</b>	<b>-</b>	<b>(127,070)</b>	<b>262,578</b>
<b>Fund Balance</b>					
Nonspendable	6,262	80	-	-	6,342
Restricted	-	-	56,216	-	56,216
Assigned	219,665	7,955	-	-	227,620
Unassigned	325,401	(33,743)	-	-	291,658
<b>Total Fund Balances</b>	<b>551,328</b>	<b>(25,708)</b>	<b>56,216</b>	<b>-</b>	<b>581,836</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 574,634</b>	<b>\$ 340,634</b>	<b>\$ 56,216</b>	<b>\$ (127,070)</b>	<b>\$ 844,414</b>

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE STATEMENT OF NET ASSETS  
June 30, 2011**

Total Fund Balances - Governmental Funds \$ 581,836

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

Some revenues will not be collected for several months  
after the Regional Office's fiscal yearend, they are not  
considered "available" revenues and are deferred in  
the governmental funds 33,663

Capital assets used in governmental activities  
are not financial resources and therefore, are  
not reported in the funds. 55,351

Net Assets of Governmental Activities \$ 670,850

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2011**

	General Fund	Education Fund	Other Non-Major Funds	Total Governmental Funds
Revenues				
Local sources	\$ 378,365	\$ 9,520	\$ 17,604	\$ 405,489
State sources	108,387	355,825	1,353	465,565
State sources - payments made on behalf of region	317,860	-	-	317,860
Federal sources	3,932	907,444	-	911,376
Total Revenues	<u>808,544</u>	<u>1,272,789</u>	<u>18,957</u>	<u>2,100,290</u>
Expenditures				
Instructional Services				
Salaries	222,521	390,851	2,158	615,530
Employee benefits	93,904	79,524	88	173,516
Purchased services	119,332	282,183	15,254	416,769
Supplies and materials	14,684	175,436	2,864	192,984
Other	9,862	469	664	10,995
Payments to other governments	-	357,762	-	357,762
Payments made on behalf of region	317,860	-	-	317,860
Capital outlay	3,591	-	-	3,591
Total Expenditures	<u>781,754</u>	<u>1,286,225</u>	<u>21,028</u>	<u>2,089,007</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>26,790</u>	<u>(13,436)</u>	<u>(2,071)</u>	<u>11,283</u>
Other Financing Sources (Uses)				
Interest	1,664	464	318	2,446
Total Other Financing Sources (Uses)	<u>1,664</u>	<u>464</u>	<u>318</u>	<u>2,446</u>
Net Change in Fund Balance	28,454	(12,972)	(1,753)	13,729
Fund Balances - Beginning, Restated	<u>522,874</u>	<u>(12,736)</u>	<u>57,969</u>	<u>568,107</u>
Fund Balances - Ending	<u>\$ 551,328</u>	<u>\$ (25,708)</u>	<u>\$ 56,216</u>	<u>\$ 581,836</u>

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2011**

Net Change in Fund Balance - Total Governmental Funds \$ 13,729

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

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

FY2010 deferred revenue recognized in FY2011 - State sources	(24,211)
FY2011 revenue deferred - State sources	33,663

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

Capital outlay	\$ 3,591	
Depreciation expense	<u>(14,933)</u>	<u>(11,342)</u>

Change in Net Assets of Governmental Activities \$ 11,839

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
June 30, 2011**

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
	<u>Registration</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 147,742
Due from other governments	31,959
Total Current Assets	<u>179,701</u>
Noncurrent Assets	
Capital assets, net of accumulated depreciation	<u>937</u>
Total Noncurrent Assets	<u>937</u>
Total Assets	<u>180,638</u>
Liabilities	
Current Liabilities	
Due to other governments	<u>7,020</u>
Total Current Liabilities	<u>7,020</u>
Net Assets	
Invested in capital assets, net of related debt	937
Unrestricted	<u>172,681</u>
TOTAL NET ASSETS	<u><u>\$ 173,618</u></u>

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND  
For the Year Ended June 30, 2011**

	Business-Type Activities
	Enterprise Funds
	Registration
Operating Revenues	
Charge for Services	\$ 120,951
State Sources	810
Total Operating Revenues	121,761
Operating Expenses	
Salaries	48,276
Employee benefits	4,784
Purchased services	43,634
Supplies and materials	4,741
Depreciation	288
Other	14
Total Operating Expenses	101,737
Operating Income (Loss)	20,024
Nonoperating Revenues	
Interest	1,136
Total Nonoperating Revenues	1,136
Change in Net Assets	21,160
Net Assets - Beginning	152,458
Net Assets - Ending	\$ 173,618

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For the Year Ended June 30, 2011**

	Business-Type Activities
	Enterprise Funds
	Registration
Cash flows from operating activities:	
Receipts from customers	\$ (58,773)
Payments to suppliers and providers for goods and services	(48,389)
Payments to employees	(53,060)
Other operating cash receipts	810
Net cash provided by (used for) operating activities	(159,412)
Cash flows from investing activities:	
Interest received on investments	1,136
Net cash provided by (used for) investing activities	1,136
Net increase (decrease) in cash and cash equivalents	(158,276)
Cash and cash equivalents - beginning of year	306,018
Cash and cash equivalents - end of year	\$ 147,742
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 20,024
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	288
Change in assets and liabilities:	
(Increase) decrease in due from other governments	(28,829)
Increase (decrease) in due to other governments	(148,320)
Increase (decrease) in deferred revenue	(2,575)
Net cash provided by (used for) operating activities	\$ (159,412)

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
June 30, 2011**

	Agency Funds
Assets	
Cash and cash equivalents	\$ 1,186,584
Due from other governments	1,449,306
Total Assets	\$ 2,635,890
Liabilities	
Due to other governments	\$ 2,635,890
Total Liabilities	\$ 2,635,890

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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

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

In 2011, the Regional Office of Education #45 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, GASB Statement No. 59, *Financial Instruments Omnibus*, and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Regional Office of Education #45 implemented these standards during the current year; however, GASB Statements No. 59 and 62 had no impact on the financial statements. The implementation of GASB Statement No. 54 changed fund balance reporting for governmental funds by adding some additional fund balance classifications, clarifying governmental fund type definitions, and providing additional disclosures on how fund balance constraints are imposed and may be modified or eliminated.

A. Date of Management's Review

Management has evaluated subsequent events through February 01, 2012, the date when the financial statements were available to be issued.

B. Financial Reporting Entity

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

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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

**B. Financial Reporting Entity (Concluded)**

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.

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

For the period ended June 30, 2011, the Regional Office of Education #45 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #45. Such activities are reported as a single major fund (Education Fund).

**C. Scope of the Reporting Entity**

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

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

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

**D. Government-Wide and Fund Financial Statements**

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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

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

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

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

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

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

E. Proprietary Fund Financial Statements

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

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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

E. Proprietary Fund Financial Statements (Concluded)

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

F. Governmental Fund Financial Statements

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

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

G. Measurement Focus and Basis of Accounting

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

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

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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

G. Measurement Focus and Basis of Accounting (Concluded)

amounts will be paid to the Monroe & Randolph Counties Regional Office of Education #45; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Under the terms of grant agreements, Regional Office of Education #45 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is Regional Office of Education #45's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

H. Fund Accounting

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

*Governmental Funds*

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

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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

H. Fund Accounting (Continued)

*Governmental Funds (Continued)*

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

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

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.

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

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

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

Education - This fund is used to account for various grant and educational enhancement programs including the following:

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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

H. Fund Accounting (Continued)

*Governmental Funds (Continued)*

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

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

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

ARRA – Title I – School Improvement and Accountability - The purpose of this grant is to provide school improvement support and assistance to schools by providing support to the schools through analyzing student achievement, refining school improvement plans and strategies, and providing meaningful professional development aligned to the schools' goals and strategies.

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

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

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

Gifted Education - The purpose of this grant is to provide services, including professional development to teachers, to gifted students.

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

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

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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

H. Fund Accounting (Continued)

*Governmental Funds (Continued)*

Substance Abuse Prevention Program - This program provides education to increase awareness in the areas of alcohol and other drug prevention, intervention, treatment, and recovery.

Learn and Serve America - This program encourages service-learning through the United States and enables students to make meaningful contributions to their community while building their academic and civic skills.

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.

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

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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

H. Fund Accounting (Concluded)

*Proprietary Funds*

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

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

*Fiduciary Funds*

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

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

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

I. Governmental Fund Balances

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

Nonspendable Fund Balance – The portion of a governmental fund’s net assets that are not available to be spent, either short term or long term, in either form or through legal restrictions. The General Fund account Waterloo Office Account and the Education Fund account Beginning Teacher Induction Pilot Program have nonspendable fund balances.

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

Committed Fund Balance – The portion of a governmental fund’s net assets with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #45 has no committed fund balances.

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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

I. Governmental Fund Balances (Concluded)

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

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: Chester Office, Waterloo Office, and County. The following Education Fund accounts have unassigned fund balances: Adult Education-Public Assistance, Adult Education-State Basic, ROE/ISC Operations, and Truants Alternative Optional Education.

J. Net Assets

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

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

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

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

K. Cash and Cash Equivalents

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

L. Capital Assets

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

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)**

M. Interfund Receivables and Payables

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

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

O. Budget Information

The Regional Office of Education #45 acts as the administrative agent for certain grant programs that are accounted for within the General Fund and the Education Fund. These programs have separate budgets and are required to be reported to the Illinois State Board of Education and Illinois Community College Board; however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the General Fund and the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results for the following programs are presented as supplementary information: Adult Education - Federal Basic, Adult Education - Public Assistance, Adult Education - State Basic, Adult Education - State Performance, Secretary of State Family Literacy Program, Regional Safe Schools, Mathematics and Science Partnership, ARRA - Title I - School Improvement and Accountability, Rural Education Achievement Program, McKinney Vento Education for Homeless Children, Gifted Education, ROE/ISC Operations, Beginning Teacher Induction Pilot Program, Learn and Serve America, We the People Citizen Project, and Truants Alternative Optional Education.

P. Compensated Absences

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

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

Q. Prepaid Expenses

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 2: CASH AND CASH EQUIVALENTS**

At June 30, 2011, the carrying amount of the Regional Office of Education #45's government-wide and fiduciary fund deposits were \$854,904 and \$1,186,584 respectively, and the bank balances were \$975,018 and \$1,277,887 respectively.

At June 30, 2011, \$1,021,057 of the Regional Office of Education #45's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$1,117,651 was collateralized by securities pledged by the Regional Office of Education #45's financial institution in the name of the Regional Office. The remaining \$114,197 was uncollateralized.

*Custodial Credit Risk*

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

*Interest Rate Risk*

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

*Credit Risk*

The Regional Office of Education #45 is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code. The Regional Office of Education #45 has no investment policy that would further limit its investment choices. As of June 30, 2011 the Regional Office of Education #45 was in compliance with these guidelines.

**NOTE 3: DEFINED BENEFIT PENSION PLAN**

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 3: DEFINED BENEFIT PENSION PLAN (CONCLUDED)**

**Funding Policy.** As set by statute, the Regional Office of Education #45's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 was 12.13% of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 19.47%. The Regional Office of Education #45 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost.** For calendar year ending December 31, 2010, the Regional Office of Education #45's actual contributions for pension cost for the Regular plan were \$49,269. Its required contribution for calendar year 2010 was \$79,082.

THREE YEAR TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 79,082	62%	\$ 29,813
12/31/09	44,636	100%	0
12/31/08	40,182	100%	0

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included a) 7.5% investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #45's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 10 year basis.

**Funded Status and Funding Progress.** As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 62.77% funded. The actuarial accrued liability for benefits was \$1,374,834 and the actuarial value of assets was \$862,947, resulting in an underfunded actuarial accrued liability (UAAL) of \$511,887. The covered payroll for 2010 (annual payroll of active employees covered by the plan) was \$406,172 and the ratio of the UAAL to the covered payroll was 126%.

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

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

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2011, was 9.4% of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4% for the years ended June 30, 2010 and 2009.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #45's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #45. For the year ended June 30, 2011, the State of Illinois contributions were based on 23.10% of creditable earnings not paid from federal funds, and the Regional Office of Education #45 recognized revenue and expenditures of \$84,286 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38% (\$95,049) and 17.08% (\$35,510), respectively.

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

- **2.2 formula contributions.** Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2011 were \$1,054. Contributions for the years ending June 30, 2010, and June 30, 2009, were \$1,295 and \$1,206, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #45, there is a statutory requirement for the Regional Office of Education #45 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. For the year ended June 30, 2011, the employer pension contribution was 23.10% of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer contribution was 23.38% and 17.08% of salaries paid from federal

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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

and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$67,084 were paid from federal and special trust funds that required employer contributions of \$15,496. For the years ended June 30, 2010 and June 30, 2009, required Regional Office of Education #45 contributions were \$19,568 and \$10,756 respectively.

- **Early retirement option.** The Regional Office of Education #45 is also required to make one-time employer contributions to TRS for members retiring under the early retirement option (ERO). The payments vary depending on the age and salary of the member.

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

For the year ended June 30, 2011, the Regional Office of Education #45 paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2010 and June 30, 2009, the Regional Office of Education #45 paid \$0 and \$2,341 in employer ERO contributions, respectively.

- **Salary increases over 6 percent and excess sick leave.** If the Regional Office of Education #45 grants salary increases over 6% and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #45 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6%. For the year ended June 30, 2011, the Regional Office of Education #45 paid \$0 to TRS for employer contributions due on salary increases in excess of 6%. For the years ended June 30, 2010 and June 30, 2009, the Regional Office of Education #45 paid \$299 and \$0, respectively to TRS for employer contributions due on salary increases in excess of 6%.

If the Regional Office of Education #45 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, Regional Office of Education #45 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.03% of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2011, the Regional Office of Education #45 paid no TRS contributions for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2010 and 2009, the Regional Office of Education #45 paid no employer contributions granted for sick leave days.

**Further information on TRS.** TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011. The reports may be obtained by writing to the Teacher's Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 5: OTHER POSTEMPLOYEMENT COMMITMENTS**

A. Teacher Health Insurance Security Fund

The Regional Office of Education #45 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS Fund.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

**On-behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #45. State contributions are intended to match contributions to the THIS Fund from active members which were 0.88% of pay during the year ended June 30, 2011. State of Illinois contributions were \$1,599 and the Regional Office of Education #45 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the year ended June 30, 2010 were 0.84% of pay. State contributions on behalf of the Regional Office of Education #45's employees were \$1,876.

Had the Regional Office of Education #45 recognized revenue and expenditures for State contributions intended to match active member contributions during the year ended June 30, 2009, under the current standards, the contribution match would have been 0.84% of pay or \$1,746.

**Employer contributions to THIS Fund.** The Regional Office of Education #45 also makes contributions to THIS Fund. The Regional Office of Education #45 contribution was 0.66% during the year ended June 30, 2011, and 0.63% during the years ended June 30, 2010 and 2009. For the year ended June 30, 2011, the Regional Office of Education #45 paid \$1,199 to the THIS Fund. For the years ended June 30, 2010 and 2009, the Regional Office of Education #45 paid \$1,407 and \$1,310 to the THIS Fund, respectively, which was 100% of the required contribution.

**Further information on THIS Fund.** The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 5: OTHER POSTEMPLOYEMENT COMMITMENTS (CONCLUDED)**

B. Egyptian Area Schools Employee Benefit Trust

**Plan Description.** The Regional Office of Education #45 contributes to the Egyptian Area Schools Employee Benefit Trust (the “Trust”), a cost-sharing multiple-employer defined benefit health care plan administered by the Board of Managers of the Trust. The Trust provides medical benefits to active and retired employees of approximately 160 participating employers. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. A copy of the report may be obtained by writing to the Egyptian Area Schools Employee Benefit Trust, c/o Meritain Health, 13 Executive Drive, Suite 19, Fairview Heights, IL 62208, or by calling Meritain Health at (866) 588-2431, Option 3 x 6105. The report is also posted on the Trust’s website at [www.egtrust.org](http://www.egtrust.org).

**Funding Policy.** The Trust Agreement establishing the Trust provides that contribution rates are established and may be modified by the Board of Managers of the Trust. Contribution rates are normally adjusted as of September 1 each year. As of June 30, 2011, participating employers were contractually required to contribute at the following rates for active and retired employees and dependents.

	Platinum Plan	Gold Plan	Silver Plan	Bronze Plan
Employee (Retiree)	\$536	\$484	\$418	\$356
Employee + spouse	\$1,106	\$998	\$866	\$732
Employee + child(ren)	\$1,068	\$963	\$835	\$719
Family	\$1,191	\$1,073	\$932	\$791

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

The Board of Mangers of the Trust sets the employer contribution rates each year based on an actuarial valuation. The Trust’s actuary has determined that as of June 30, 2009 the Trust had no Unfunded Actuarial Accrued Liability for Other Post Employment Benefits (OPEB) and is not expected to have an Unfunded Actuarial Accrued Liability as of June 30, 2011. The actuary has further determined that current contribution rates exceed the Annual Required Contribution (ARC) determined in accordance with the parameters of GASB Statement 45. The Regional Office’s contributions to the Trust for the years ending June 30, 2011, June 30, 2010 and June 30, 2009, were \$69,104, \$55,517 and \$56,630, respectively, which equaled the contractually required contributions each year.

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 6: INTERFUND RECEIVABLES AND PAYABLES**

Interfund due to / from other fund balances at June 30, 2011 consist of the following individual due to / from other funds in the governmental fund Balance Sheet. These balances were eliminated in the government-wide Statement of Net Assets.

Fund	Due From	Due to
General Fund		
Office Account-Chester Office	\$ 31,212	\$ -
Office Account-Waterloo Office	64,859	-
General State Aid	30,999	-
Education Fund		
Chester Office		
Adult Education-Public Assistance	-	1,609
Adult Education-State Basic	-	28,160
Adult Education-State Performance	-	1,443
Regional Safe Schools	-	30,999
Waterloo Office		
ARRA-Title I-School Improvement and Accountability	-	5,504
ROE/ISC Operations	-	26,866
Beginning Teacher Induction Pilot Program (FY2011)	-	4,198
Truants Alternative Optional Education	-	28,291
	<u>\$ 127,070</u>	<u>\$ 127,070</u>

**NOTE 7: DUE TO/DUE FROM OTHER GOVERNMENTAL UNITS**

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

Due from Other Governments:

General Fund - Chester Office Account - Local Governments	\$ 240
General Fund - Waterloo Office Account - Local Governments	1,585
General Fund - General State Aid - Local Governments	2,025
Special Revenue Fund - Education Fund	
Illinois State Board of Education	95,778
Illinois Community College Board	31,212
Nonmajor Special Revenue Fund - General Education	
Development Fund - Local Governments	70
Proprietary Fund - Registration Fund - Local Governments	31,959
Fiduciary Fund - Distributive Fund	
Illinois State Board of Education	1,114,728
Fiduciary Fund - Human Services Educational/Vocational	
Project Funds - Illinois State Board of Education	334,578
Total	<u>\$ 1,612,175</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
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For the Year Ended June 30, 2011**

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

Due to Other Governments:		
Proprietary Fund - Registration Fund - Lindenwood University	\$	7,020
Fiduciary Fund - Distributive Fund		
Local School Districts and Other Entities		1,114,728
Fiduciary Fund - Human Services Educational/Vocational Project Funds - Local School Districts and Other Entities		1,521,162
Total	<u>\$</u>	<u>2,642,910</u>

**NOTE 8: CAPITAL ASSETS**

Governmental Activities

Capital asset activity for fiscal year 2011 was as follows:

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Governmental Funds				
Total Capital Assets	\$ 221,306	\$ 3,591	\$ 28,931	\$ 195,966
Less: Accumulated Depreciation	<u>154,613</u>	<u>14,933</u>	<u>28,931</u>	<u>140,615</u>
Governmental Funds				
Investment in Capital Assets, Net	<u>\$ 66,693</u>	<u>\$ (11,342)</u>	<u>\$ -</u>	<u>\$ 55,351</u>

Business-Type Activities

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Business-type Activities				
Total Capital Assets	\$ 1,441	\$ -	\$ -	\$ 1,441
Less: Accumulated Depreciation	<u>216</u>	<u>288</u>	<u>-</u>	<u>504</u>
Business-type Activities				
Investment in Capital Assets, Net	<u>\$ 1,225</u>	<u>\$ (288)</u>	<u>\$ -</u>	<u>\$ 937</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$14,933 and \$288 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities for the year ended June 30, 2011. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
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For the Year Ended June 30, 2011**

**NOTE 9: DISTRIBUTIVE FUND INTEREST**

A written agreement between the Regional Office of Education #45's school boards, which receive funds through the Regional Office of Education #45, provides for the retention of interest earned on the State Distributive Fund checking account by the Regional Superintendent to be used for the benefit of all of the districts in the region. During the year the distributive fund earned interest of \$147. At June 30, 2011 all accumulated interest had been distributed.

**NOTE 10: RISK MANAGEMENT**

The Regional Office of Education #45 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Regional Office of Education #45 has purchased commercial insurance to cover these risks. During the year ended June 30, 2011, 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 11: ON-BEHALF PAYMENTS**

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

Regional Superintendent Salary	\$	96,435
Regional Superintendent Fringe Benefits (Includes State paid insurance)		24,655
Assistant Regional Superintendent Salary		86,791
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)		24,094
TRS Pension Contributions		84,286
THIS Fund Contributions		<u>1,599</u>
Total	\$	<u><u>317,860</u></u>

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

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

**NOTE 12: TRANSFERS**

There were no interfund transfers during fiscal year 2011.

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 13: OPERATING LEASES**

Lease 1: On December 1, 2009 the Regional Office of Education #45 entered into a one year lease agreement with Monroe County, IL for rental of 107 East Mill Street, Waterloo (Waterloo Regional Office building) beginning December 1, 2009 and terminating November 30, 2010. The Regional Office of Education #45 renewed the lease starting December 1, 2010 and terminating November 30, 2011. The lease is payable in monthly installments of \$1,800. Lease expense for the office building for fiscal year 2011 was \$21,600.

Lease 2: On August 8, 2006 the Regional Office of Education #45 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 2011 was \$133.

Lease 3: On June 21, 2010 the Regional Office of Education #45 entered into a lease agreement with St. Patrick Catholic Church of Ruma, IL for rental of the building known as “brick school” for three years beginning July 1, 2010 and terminating June 30, 2013. The lease is payable in monthly installments of \$875 per month. Lease expense for the “brick school” for fiscal year 2011 was \$10,500.

Lease 4: On August 7, 2007 the Regional Office of Education #45 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 2011 was \$2,460. This copier was replaced with the copier described in Lease 8 below in November 2009 with the remaining payments being covered by the new lessor.

Lease 5: On August 1, 1999 the Regional Office of Education #45 entered into a month-to-month lease agreement with Hillside Storage Rentals for rental of a storage stall in Chester. The lease is payable on a monthly basis with a monthly rental fee of \$40. Rent expense for the storage unit for fiscal year 2011 was \$480.

Lease 6: On August 18, 2007 the Regional Office of Education #45 entered into a lease agreement with Pitney Bowes for 5 years and 3 months for a postage meter held at the Waterloo Office beginning September 1, 2007 through December 30, 2012. The lease is payable in quarterly payments of \$177. The lease expense for fiscal year 2011 was \$708.

Lease 7: On October 21, 2009, the Regional Office of Education #45 entered into a lease agreement with Toshiba Financial Services for rental of a copier kept at the Waterloo office building for 5 years and 3 months beginning with December 1, 2009 and terminating February 28, 2015. The lease is payable in monthly installments of \$257. Lease expense for the copier for fiscal year 2011 was \$3,084.

Lease 8: On October 21, 2009, the Regional Office of Education #45 entered into a lease agreement with Toshiba Financial Services for rental of a copier kept at the Red Brick School for 5 years and 3 months beginning with December 1, 2009 and terminating February 28, 2015. The lease is payable in monthly installments of \$248. Lease expense for the copier for fiscal year 2011 was \$2,976.

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 13: OPERATING LEASES (CONCLUDED)**

Lease 9: On October 21, 2009, the Regional Office of Education #45 entered into a lease agreement with Toshiba Financial Services for rental of a copier kept at the Chester office building for 5 years and 3 months beginning with December 1, 2009 and terminating February 28, 2015. The lease is payable in monthly installments of \$214. Lease expense for the copier for fiscal year 2011 was \$2,568.

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

Fiscal Year		
2012	\$	28,836
2013		19,482
2014		8,628
2015		5,752
	\$	62,698

**NOTE 14: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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

The following funds/fund accounts had deficit fund balances at June 30, 2011:

Education Fund		
Adult Education - Public Assistance	\$	1,279
Adult Education - State Basic	\$	24,827
ROE/ISC Operations	\$	3,266
Truants Alternative Optional Education	\$	4,291

**NOTE 15: RECLASSIFICATION**

As a result of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, at June 30, 2011, General State Aid (GSA) funding has been reclassified from the Education Fund to the General Fund and the ROE/ISC Operations grant has been reclassified from the General Fund to the Education Fund.

The Regional Office of Education #45 receives GSA from the Illinois State Board of Education based on attendance in the Regional Safe School. This funding supports the general operations of the Regional Safe School program, and the Regional Office has historically reported this funding in the Education fund with the Regional Safe School grant funding. However, GSA does not meet the committed or restricted criteria set forth in GASB 54 for special revenue funds. The ROE/ISC Operations grant, which supports the general operations of the Regional Office, has historically been reported the General Fund. However, because this funding is governed by a grant agreement with the grantor, the funding is restricted and is required to be reported as a special revenue fund.

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 15: RECLASSIFICATION (CONCLUDED)**

Following is the effect of these reclassifications on the beginning balance fund balances for the General Fund and the Education Fund:

General Fund	
Fund Balance, July 1, 2010	\$ 329,788
Effect of reclassifying General State Aid	193,086
Effect of reclassifying ROE/ISC Operations grant	-
Fund Balance, July 1, 2010, Restated	<u>\$ 522,874</u>
Education Fund	
Fund Balance, July 1, 2010	\$ 180,350
Effect of reclassifying General State Aid	(193,086)
Effect of reclassifying ROE/ISC Operations grant	-
Fund Balance, July 1, 2010, Restated	<u>\$ (12,736)</u>

**NOTE 16: SUBSEQUENT EVENT**

For fiscal year 2012, the Governor of Illinois vetoed the appropriation line for the Regional Superintendent's and Assistant Regional Superintendent's salaries and benefits, as well as, the appropriation line for the Regional Office's general operations grant. The Regional Superintendent's and Assistant Regional Superintendent's salaries were reinstated in November 2011 for one year only, to be paid from State personal property replacement tax funds, but the general operations grant was not reinstated. The Regional Superintendents will make every effort to secure other local funding to support the programs and services the Regional Office provides. The affect of these funding cuts on the Regional Office's long-term ability to continue to provide services at their current level is unknown.

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF FUNDING PROGRESS  
June 30, 2011**

*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)
12/31/10	\$862,947	\$1,374,834	\$511,887	62.77%	\$406,172	126.03%
12/31/09	904,589	1,341,096	\$436,507	67.45%	\$404,678	107.87%
12/31/08	839,535	1,231,312	391,777	68.18%	405,057	96.72%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$941,085. On a market basis, the funded ratio would be 68.45%.

**OTHER SUPPLEMENTAL INFORMATION**

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2011**

	Office Account		General State Aid	County Account	Total
	Chester	Waterloo	Chester	Waterloo	
<b>Assets</b>					
Cash and cash equivalents	\$ 44,154	\$ 152,728	\$ 186,707	\$ 53,863	\$ 437,452
Due from other funds	31,212	64,859	30,999	-	127,070
Due from other governments	240	1,585	2,025	-	3,850
Prepaid expenses	-	6,262	-	-	6,262
Total Assets	<u>\$ 75,606</u>	<u>\$ 225,434</u>	<u>\$ 219,731</u>	<u>\$ 53,863</u>	<u>\$ 574,634</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 66	\$ -	\$ 66
Accrued wages and benefits	-	19,692	-	-	19,692
Deferred revenue	3,548	-	-	-	3,548
Total Liabilities	<u>3,548</u>	<u>19,692</u>	<u>66</u>	<u>-</u>	<u>23,306</u>
<b>Fund Balance</b>					
Nonspendable	-	6,262	-	-	6,262
Assigned	-	-	219,665	-	219,665
Unassigned	72,058	199,480	-	53,863	325,401
Total Fund Balances	<u>72,058</u>	<u>205,742</u>	<u>219,665</u>	<u>53,863</u>	<u>551,328</u>
Total Liabilities and Fund Balances	<u>\$ 75,606</u>	<u>\$ 225,434</u>	<u>\$ 219,731</u>	<u>\$ 53,863</u>	<u>\$ 574,634</u>

**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, 2011**

	Office Account		General State Aid	County Account	Total
	Chester	Waterloo	Chester	Waterloo	
<b>Revenues</b>					
Local sources	\$ 4,707	\$ 100,341	\$ 57,185	\$ 216,132	\$ 378,365
State sources	-	-	108,387	-	108,387
State sources - On Behalf Payments	-	317,860	-	-	317,860
Federal sources	-	-	3,932	-	3,932
Total Revenue	<u>4,707</u>	<u>418,201</u>	<u>169,504</u>	<u>216,132</u>	<u>808,544</u>
<b>Expenditures</b>					
Salaries	-	47,084	82,715	92,722	222,521
Employee benefits	-	27,282	26,284	40,338	93,904
Purchased services	5,689	38,452	25,511	49,680	119,332
Supplies and materials	246	1,045	8,565	4,828	14,684
Capital outlay	-	-	-	3,591	3,591
Other	50	1,723	-	8,089	9,862
Payments made on behalf of region	-	317,860	-	-	317,860
Total Expenditures	<u>5,985</u>	<u>433,446</u>	<u>143,075</u>	<u>199,248</u>	<u>781,754</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,278)</u>	<u>(15,245)</u>	<u>26,429</u>	<u>16,884</u>	<u>26,790</u>
<b>Other Financing Sources (Uses)</b>					
Interest	74	1,204	150	236	1,664
Total Other Financing Sources (Uses)	<u>74</u>	<u>1,204</u>	<u>150</u>	<u>236</u>	<u>1,664</u>
Net Change in Fund Balance	(1,204)	(14,041)	26,579	17,120	28,454
Fund Balance - Beginning, Restated	<u>73,262</u>	<u>219,783</u>	<u>193,086</u>	<u>36,743</u>	<u>522,874</u>
Fund Balance - Ending	<u>\$ 72,058</u>	<u>\$ 205,742</u>	<u>\$ 219,665</u>	<u>\$ 53,863</u>	<u>\$ 551,328</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2011**

	<u>Education Fund</u>		
	<u>Chester</u>	<u>Waterloo</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 125,344	\$ 88,220	\$ 213,564
Due from other governments	62,211	64,779	126,990
Prepaid expenses	-	80	80
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 187,555</u>	<u>\$ 153,079</u>	<u>\$ 340,634</u>
<b>Liabilities</b>			
Accounts payable	\$ 31,835	\$ -	\$ 31,835
Due to other funds	62,211	64,859	127,070
Deferred revenue	119,615	87,822	207,437
Total Liabilities	<u>213,661</u>	<u>152,681</u>	<u>366,342</u>
<b>Fund Balance</b>			
Nonspendable	-	80	80
Assigned	-	7,955	7,955
Unassigned	(26,106)	(7,637)	(33,743)
Total Fund Balance	<u>(26,106)</u>	<u>398</u>	<u>(25,708)</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balance	<u>\$ 187,555</u>	<u>\$ 153,079</u>	<u>\$ 340,634</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2011**

	Education Fund		
	Chester	Waterloo	Total
Revenues			
Local sources	\$ -	\$ 9,520	\$ 9,520
State sources	149,223	206,602	355,825
Federal sources	422,320	485,124	907,444
Total Revenues	<u>571,543</u>	<u>701,246</u>	<u>1,272,789</u>
Expenditures			
Salaries	181,269	209,582	390,851
Employee benefits	36,238	43,286	79,524
Purchased services	118,744	163,439	282,183
Supplies and materials	109,771	65,665	175,436
Other	7	462	469
Payments to other governments	127,471	230,291	357,762
Total Expenditures	<u>573,500</u>	<u>712,725</u>	<u>1,286,225</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,957)</u>	<u>(11,479)</u>	<u>(13,436)</u>
Other Financing Sources (Uses)			
Interest	62	402	464
Total Other Financing Sources (Uses)	<u>62</u>	<u>402</u>	<u>464</u>
Net Change in Fund Balance	(1,895)	(11,077)	(12,972)
Fund Balance - Beginning, Restated	<u>(24,211)</u>	<u>11,475</u>	<u>(12,736)</u>
Fund Balance - Ending	<u>\$ (26,106)</u>	<u>\$ 398</u>	<u>\$ (25,708)</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
CHESTER OFFICE  
June 30, 2011**

	Adult Education Programs	Secretary of State Family Literacy Program	ARRA Education Jobs Program	Regional Safe Schools
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	<u>31,212</u>	<u>-</u>	<u>-</u>	<u>30,999</u>
<b>Total Assets</b>	<b><u>\$ 31,212</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 30,999</u></b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	31,212	-	-	30,999
Deferred revenue	<u>26,106</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<b><u>57,318</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>30,999</u></b>
<b>Fund Balance</b>				
Unassigned	<u>(26,106)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<b><u>(26,106)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 31,212</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 30,999</u></b>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
CHESTER OFFICE  
June 30, 2011**

	Mathematics and Science Partnership (FY2011)	Mathematics and Science Partnership (FY2011)	Mathematics and Science Partnership (FY2010)	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 65,586	\$ 59,758	\$ -	\$ 125,344
Due from other governments	-	-	-	62,211
Total Assets	\$ 65,586	\$ 59,758	\$ -	\$ 187,555
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 31,835	\$ -	\$ 31,835
Due to other funds	-	-	-	62,211
Deferred revenue	65,586	27,923	-	119,615
Total Liabilities	65,586	59,758	-	213,661
<b>Fund Balance</b>				
Unassigned	-	-	-	(26,106)
Total Fund Balances	-	-	-	(26,106)
Total Liabilities and Fund Balances	\$ 65,586	\$ 59,758	\$ -	\$ 187,555

**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, 2011**

	Adult Education Programs	Secretary of State Family Literacy Program	ARRA Education Jobs Program	Regional Safe Schools
<b>Revenues</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	30,013	28,000	-	91,210
Federal sources	38,399	-	9,855	-
<b>Total Revenues</b>	<u>68,412</u>	<u>28,000</u>	<u>9,855</u>	<u>91,210</u>
<b>Expenditures</b>				
Salaries	56,139	23,124	9,370	56,132
Employee benefits	18,686	1,518	485	3,064
Purchased services	7,279	1,011	-	5,702
Supplies and materials	12,414	2,347	-	2,101
Other	6	1	-	-
Payments to other governments	-	-	-	-
<b>Total Expenditures</b>	<u>94,524</u>	<u>28,001</u>	<u>9,855</u>	<u>66,999</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(26,112)	(1)	-	24,211
<b>Other Financing Sources (Uses)</b>				
Interest	6	1	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>6</u>	<u>1</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(26,106)	-	-	24,211
<b>Fund Balance - Beginning, Restated</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,211)</u>
<b>Fund Balance - Ending</b>	<u>\$ (26,106)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
For the Year Ended June 30, 2011**

	Mathematics and Science Partnership (FY2011)	Mathematics and Science Partnership (FY2011)	Mathematics and Science Partnership (FY2010)	Total
<b>Revenues</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	149,223
Federal sources	24,414	176,042	173,610	422,320
Total Revenues	<u>24,414</u>	<u>176,042</u>	<u>173,610</u>	<u>571,543</u>
<b>Expenditures</b>				
Salaries	-	19,999	16,505	181,269
Employee benefits	-	7,019	5,466	36,238
Purchased services	6,124	43,751	54,877	118,744
Supplies and materials	18,295	20,984	53,630	109,771
Other	-	-	-	7
Payments to other governments	-	84,319	43,152	127,471
Total Expenditures	<u>24,419</u>	<u>176,072</u>	<u>173,630</u>	<u>573,500</u>
Excess (Deficiency) of Revenues Over Expenditures	(5)	(30)	(20)	(1,957)
<b>Other Financing Sources (Uses)</b>				
Interest	5	30	20	62
Total Other Financing Sources (Uses)	<u>5</u>	<u>30</u>	<u>20</u>	<u>62</u>
Net Change in Fund Balance	-	-	-	(1,895)
Fund Balance - Beginning, Restated	-	-	-	(24,211)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,106)</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
ADULT EDUCATION PROGRAMS  
CHESTER OFFICE  
June 30, 2011**

	<u>Federal Basic</u>	<u>Public Assistance</u>	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
Assets					
Due from other governments	\$ -	\$ 1,609	\$ 28,160	\$ 1,443	\$ 31,212
Total Assets	<u>\$ -</u>	<u>\$ 1,609</u>	<u>\$ 28,160</u>	<u>\$ 1,443</u>	<u>\$ 31,212</u>
Total Liabilities					
Due to other funds	\$ -	\$ 1,609	\$ 28,160	\$ 1,443	\$ 31,212
Deferred revenue	-	1,279	24,827	-	26,106
Total Liabilities	<u>-</u>	<u>2,888</u>	<u>52,987</u>	<u>1,443</u>	<u>57,318</u>
Fund Balance					
Unassigned	-	(1,279)	(24,827)	-	(26,106)
Total Fund Balances	<u>-</u>	<u>(1,279)</u>	<u>(24,827)</u>	<u>-</u>	<u>(26,106)</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 1,609</u>	<u>\$ 28,160</u>	<u>\$ 1,443</u>	<u>\$ 31,212</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
ADULT EDUCATION PROGRAMS  
CHESTER OFFICE  
For the Year Ended June 30, 2011**

	<u>Federal Basic</u>	<u>Public Assistance</u>	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
Revenues					
State sources	\$ -	\$ 1,534	\$ 16,663	\$ 11,816	\$ 30,013
Federal sources	38,399	-	-	-	38,399
Total Revenues	<u>38,399</u>	<u>1,534</u>	<u>16,663</u>	<u>11,816</u>	<u>68,412</u>
Expenditures					
Salaries	23,964	1,027	26,218	4,930	56,139
Employee benefits	8,840	79	8,885	882	18,686
Purchased services	3,058	207	2,507	1,507	7,279
Supplies and materials	2,537	1,500	3,880	4,497	12,414
Other	4	-	-	2	6
Total Expenditures	<u>38,403</u>	<u>2,813</u>	<u>41,490</u>	<u>11,818</u>	<u>94,524</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4)</u>	<u>(1,279)</u>	<u>(24,827)</u>	<u>(2)</u>	<u>(26,112)</u>
Other Financing Sources (Uses)					
Interest	4	-	-	2	6
Total Other Financing Sources (Uses)	<u>4</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>6</u>
Net Change in Fund Balance	-	(1,279)	(24,827)	-	(26,106)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (1,279)</u>	<u>\$ (24,827)</u>	<u>\$ -</u>	<u>\$ (26,106)</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2010 to June 30, 2011)  
EDUCATION FUND ACCOUNTS  
ADULT EDUCATION - FEDERAL BASIC  
For the Year Ended June 30, 2011  
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 38,399	\$ 38,399	\$ 38,399
Total Revenues	<u>38,399</u>	<u>38,399</u>	<u>38,399</u>
Expenditures			
Salaries	26,776	26,776	23,964
Employee benefits	8,835	8,835	8,840
Purchased services	1,853	1,853	3,058
Supplies and materials	935	935	2,537
Other	-	-	4
Total Expenditures	<u>38,399</u>	<u>38,399</u>	<u>38,403</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(4)</u>
Other Financing Sources (Uses)			
Interest	-	-	4
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2010 to June 30, 2011)  
EDUCATION FUND ACCOUNTS  
ADULT EDUCATION - PUBLIC ASSISTANCE  
For the Year Ended June 30, 2011  
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 2,813	\$ 2,813	\$ 1,534
Total Revenues	<u>2,813</u>	<u>2,813</u>	<u>1,534</u>
Expenditures			
Salaries	901	901	1,027
Employee benefits	24	24	79
Purchased services	290	290	207
Supplies and materials	1,598	1,598	1,500
Total Expenditures	<u>2,813</u>	<u>2,813</u>	<u>2,813</u>
Net Change in Fund Balance	-	-	(1,279)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,279)</u></u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2010 to June 30, 2011)  
EDUCATION FUND ACCOUNTS  
ADULT EDUCATION - STATE BASIC  
For the Year Ended June 30, 2011  
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 41,490	\$ 41,490	\$ 16,663
Total Revenues	<u>41,490</u>	<u>41,490</u>	<u>16,663</u>
Expenditures			
Salaries	27,366	27,366	26,218
Employee benefits	6,577	6,577	8,885
Purchased services	3,250	3,250	2,507
Supplies and materials	4,297	4,297	3,880
Total Expenditures	<u>41,490</u>	<u>41,490</u>	<u>41,490</u>
Net Change in Fund Balance	-	-	(24,827)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (24,827)</u></u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2010 to June 30, 2011)  
EDUCATION FUND ACCOUNTS  
ADULT EDUCATION - STATE PERFORMANCE  
For the Year Ended June 30, 2011  
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 11,816	\$ 11,816	\$ 11,816
Total Revenues	<u>11,816</u>	<u>11,816</u>	<u>11,816</u>
Expenditures			
Salaries	4,669	4,669	4,930
Employee benefits	863	863	882
Purchased services	3,666	3,666	1,507
Supplies and materials	2,618	2,618	4,497
Other	-	-	2
Total Expenditures	<u>11,816</u>	<u>11,816</u>	<u>11,818</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>
Other Financing Sources (Uses)			
Interest	-	-	2
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2010 to June 30, 2011)  
EDUCATION FUND ACCOUNTS  
SECRETARY OF STATE FAMILY LITERACY PROGRAM  
For the Year Ended June 30, 2011  
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 28,000	\$ 28,000	\$ 28,000
Total Revenues	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>
Expenditures:			
Salaries	23,310	23,310	23,124
Employee benefits	2,136	2,136	1,518
Purchased services	1,754	1,754	1,011
Supplies and materials	800	800	2,347
Other	-	-	1
Total Expenditures	<u>28,000</u>	<u>28,000</u>	<u>28,001</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1)</u>
Other Financing Sources (Uses)			
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2010 to June 30, 2011)  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS  
For the Year Ended June 30, 2011  
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 66,999	\$ 66,999	\$ 91,210
Federal sources	-	-	-
Total Revenues	<u>66,999</u>	<u>66,999</u>	<u>91,210</u>
Expenditures			
Salaries	54,892	54,892	56,132
Employee benefits	3,014	3,014	3,064
Purchased services	6,428	6,428	5,702
Supplies and materials	2,665	2,665	2,101
Total Expenditures	<u>66,999</u>	<u>66,999</u>	<u>66,999</u>
Net Change in Fund Balance	-	-	24,211
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>(24,211)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of February 1, 2011 to September 30, 2011)  
EDUCATION FUND ACCOUNTS  
MATHEMATICS AND SCIENCE PARTNERSHIP (FY2011)  
For the Year Ended June 30, 2011  
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 175,000	\$ 175,000	\$ 24,414
Total Revenues	<u>175,000</u>	<u>175,000</u>	<u>24,414</u>
Expenditures			
Salaries	11,140	13,580	-
Employee benefits	4,902	5,880	-
Purchased services	82,021	54,525	6,124
Supplies and materials	34,437	34,437	18,295
Payments to other governments	42,500	66,578	-
Total Expenditures	<u>175,000</u>	<u>175,000</u>	<u>24,419</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(5)</u>
Other Financing Sources (Uses)			
Interest	-	-	5
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of October 1, 2010 to September 30, 2011)**  
**EDUCATION FUND ACCOUNTS**  
**MATHEMATICS AND SCIENCE PARTNERSHIP (FY2011)**  
**For the Year Ended June 30, 2011**  
**Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 250,000	\$ 250,000	\$ 176,042
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>176,042</u>
Expenditures			
Salaries	25,170	34,320	19,999
Employee benefits	10,321	13,611	7,019
Purchased services	57,275	59,861	43,751
Supplies and materials	42,896	40,565	20,984
Payments to other governments	114,338	101,643	84,319
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>176,072</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(30)</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>30</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>30</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of May 1, 2010 to September 30, 2010)  
EDUCATION FUND ACCOUNTS  
MATHEMATICS AND SCIENCE PARTNERSHIP (FY2010)  
For the Year Ended June 30, 2010  
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 180,000	\$ 180,000	\$ 173,610
Total Revenues	<u>180,000</u>	<u>180,000</u>	<u>173,610</u>
Expenditures			
Salaries	20,555	20,555	16,505
Employee benefits	8,439	8,439	5,466
Purchased services	55,206	55,206	54,877
Supplies and materials	48,175	48,175	53,630
Payments to other governments	47,625	-	43,152
Total Expenditures	<u>180,000</u>	<u>132,375</u>	<u>173,630</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>47,625</u>	<u>(20)</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>20</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>20</u>
Net Change in Fund Balance	-	47,625	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 47,625</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
WATERLOO OFFICE  
June 30, 2011**

	Mathematics and Science Partnership (FY 2011)	Mathematics and Science Partnership (FY 2011)	Mathematics and Science Partnership (FY 2010)	ARRA Title I School Improvement & Accountability	Film Co-op
<b>Assets</b>					
Cash and cash equivalents	\$ 55,623	\$ 24,642	\$ -	\$ -	\$ 7,027
Due from other governments	-	-	-	5,504	-
Prepaid expenses	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 55,623</u></b>	<b><u>\$ 24,642</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,504</u></b>	<b><u>\$ 7,027</u></b>
<b>Liabilities</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ 5,504	\$ -
Deferred revenue	55,623	24,642	-	-	-
<b>Total Liabilities</b>	<b><u>55,623</u></b>	<b><u>24,642</u></b>	<b><u>-</u></b>	<b><u>5,504</u></b>	<b><u>-</u></b>
<b>Fund Balance</b>					
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	7,027
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>7,027</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 55,623</u></b>	<b><u>\$ 24,642</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,504</u></b>	<b><u>\$ 7,027</u></b>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
WATERLOO OFFICE  
June 30, 2011**

	Rural Education Achievement Program	McKinney Vento Education for Homeless Children	Gifted Education	ROE/ISC Operations	Beginning Teacher Induction Pilot Program (FY2011)	Beginning Teacher Induction Pilot Program (FY2010)
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	26,866	4,118	-
Prepaid expenses	-	-	-	-	80	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,866</u>	<u>\$ 4,198</u>	<u>\$ -</u>
<b>Liabilities</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ 26,866	\$ 4,198	\$ -
Deferred revenue	-	-	-	3,266	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,132</u>	<u>4,198</u>	<u>-</u>
<b>Fund Balance</b>						
Nonspendable	-	-	-	-	80	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	(3,266)	(80)	-
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,266)</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,866</u>	<u>\$ 4,198</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
WATERLOO OFFICE  
June 30, 2011**

	Substance Abuse Prevention Program	Learn & Serve America	We the People Citizen Project	Red Bud Community Project	Truants Alternative Optional Education	Total
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 928	\$ -	\$ -	\$ 88,220
Due from other governments	-	-	-	-	28,291	64,779
Prepaid expenses	-	-	-	-	-	80
<b>Total Assets</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 928</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 28,291</u></b>	<b><u>\$ 153,079</u></b>
<b>Liabilities</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 28,291	\$ 64,859
Deferred revenue	-	-	-	-	4,291	87,822
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>32,582</u></b>	<b><u>152,681</u></b>
<b>Fund Balance</b>						
Nonspendable	-	-	-	-	-	80
Assigned	-	-	928	-	-	7,955
Unassigned	-	-	-	-	(4,291)	(7,637)
<b>Total Fund Balances</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>928</u></b>	<b><u>-</u></b>	<b><u>(4,291)</u></b>	<b><u>398</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 928</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 28,291</u></b>	<b><u>\$ 153,079</u></b>

**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, 2011**

	Mathematics and Science Partnership (FY 2011)	Mathematics and Science Partnership (FY 2011)	Mathematics and Science Partnership (FY 2010)	ARRA Title I School Improvement & Accountability	Film Co-op
<b>Revenues</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 4,595
State sources	-	-	-	-	-
Federal sources	34,398	104,820	153,328	140,000	-
Total Revenues	<u>34,398</u>	<u>104,820</u>	<u>153,328</u>	<u>140,000</u>	<u>4,595</u>
<b>Expenditures</b>					
Salaries	-	28,006	16,353	54,969	1,361
Employee benefits	-	8,736	4,881	12,105	104
Purchased services	16,981	8,810	29,864	67,297	1,829
Supplies and materials	17,417	10,853	23,705	3,504	62
Other	-	189	69	10	-
Payments to other governments	-	48,415	78,525	2,125	-
Total Expenditures	<u>34,398</u>	<u>105,009</u>	<u>153,397</u>	<u>140,010</u>	<u>3,356</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(189)</u>	<u>(69)</u>	<u>(10)</u>	<u>1,239</u>
<b>Other Financing Sources (Uses)</b>					
Interest	-	189	69	10	49
Total Other Financing Sources (Uses)	<u>-</u>	<u>189</u>	<u>69</u>	<u>10</u>	<u>49</u>
Net Change in Fund Balance	-	-	-	-	1,288
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,739</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,027</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
For the Year Ended June 30, 2011**

	Rural Education Achievement Program	McKinney Vento Education for Homeless Children	Gifted Education	ROE/ISC Operations	Beginning Teacher Induction Pilot Program (FY2011)	Beginning Teacher Induction Pilot Program (FY2010)
<b>Revenues</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	23,317	47,200	32,502	55,083
Federal sources	25,334	13,646	-	-	-	-
<b>Total Revenues</b>	<u>25,334</u>	<u>13,646</u>	<u>23,317</u>	<u>47,200</u>	<u>32,502</u>	<u>55,083</u>
<b>Expenditures</b>						
Salaries	-	12,125	9,250	27,352	7,500	6,000
Employee benefits	-	176	134	12,628	109	162
Purchased services	-	1,177	6,409	9,662	3,629	1,418
Supplies and materials	-	168	3,857	695	1,414	1,128
Other	-	2	29	131	3	-
Payments to other governments	25,334	-	3,667	-	19,850	46,375
<b>Total Expenditures</b>	<u>25,334</u>	<u>13,648</u>	<u>23,346</u>	<u>50,468</u>	<u>32,505</u>	<u>55,083</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>(2)</u>	<u>(29)</u>	<u>(3,268)</u>	<u>(3)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>						
Interest	-	2	29	2	3	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>2</u>	<u>29</u>	<u>2</u>	<u>3</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	-	(3,266)	-	-
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,266)</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
For the Year Ended June 30, 2011**

	Substance Abuse Prevention Program	Learn & Serve America	We the People Citizen Project	Red Bud Community Project	Truants Alternative Optional Education	Total
<b>Revenues</b>						
Local sources	\$ 273	\$ -	\$ 2,027	\$ 2,625	\$ -	\$ 9,520
State sources	-	-	-	-	48,500	206,602
Federal sources	-	12,500	1,098	-	-	485,124
Total Revenues	<u>273</u>	<u>12,500</u>	<u>3,125</u>	<u>2,625</u>	<u>48,500</u>	<u>701,246</u>
<b>Expenditures</b>						
Salaries	-	2,935	1,131	-	42,600	209,582
Employee benefits	-	214	232	-	3,805	43,286
Purchased services	-	2,033	1,309	6,928	6,093	163,439
Supplies and materials	274	1,318	977	-	293	65,665
Other	-	20	9	-	-	462
Payments to other governments	-	6,000	-	-	-	230,291
Total Expenditures	<u>274</u>	<u>12,520</u>	<u>3,658</u>	<u>6,928</u>	<u>52,791</u>	<u>712,725</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1)</u>	<u>(20)</u>	<u>(533)</u>	<u>(4,303)</u>	<u>(4,291)</u>	<u>(11,479)</u>
<b>Other Financing Sources (Uses)</b>						
Interest	1	20	9	19	-	402
Total Other Financing Sources (Uses)	<u>1</u>	<u>20</u>	<u>9</u>	<u>19</u>	<u>-</u>	<u>402</u>
Net Change in Fund Balance	-	-	(524)	(4,284)	(4,291)	(11,077)
Fund Balance - Beginning	-	-	1,452	4,284	-	11,475
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 928</u>	<u>\$ -</u>	<u>\$ (4,291)</u>	<u>\$ 398</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of February 1, 2011 to September 30, 2011)  
EDUCATION FUND ACCOUNTS  
MATHEMATICS AND SCIENCE PARTNERSHIP (FY2011)  
For the Year Ended June 30, 2011  
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 175,000	\$ 175,000	\$ 34,398
Total Revenues	<u>175,000</u>	<u>175,000</u>	<u>34,398</u>
Expenditures			
Salaries	11,720	11,720	-
Employee benefits	5,033	5,033	-
Purchased services	73,436	73,436	16,981
Supplies and materials	29,735	29,735	17,417
Payments to other governments	55,076	55,076	-
Total Expenditures	<u>175,000</u>	<u>175,000</u>	<u>34,398</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of September 1, 2010 to August 31, 2011)**  
**EDUCATION FUND ACCOUNTS**  
**MATHEMATICS AND SCIENCE PARTNERSHIP (FY2011)**  
**For the Year Ended June 30, 2011**  
**Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 169,345	\$ 169,345	\$ 104,820
Total Revenues	<u>169,345</u>	<u>169,345</u>	<u>104,820</u>
Expenditures			
Salaries	35,400	35,400	28,006
Employee benefits	11,560	11,560	8,736
Purchased services	20,182	20,182	8,810
Supplies and materials	12,050	12,050	10,853
Other	-	-	189
Payments to other governments	90,153	90,153	48,415
Total Expenditures	<u>169,345</u>	<u>169,345</u>	<u>105,009</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(189)</u>
Other Financing Sources (Uses)			
Interest	-	-	189
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>189</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of October 1, 2009 to August 31, 2010)**  
**EDUCATION FUND ACCOUNTS**  
**MATHEMATICS AND SCIENCE PARTNERSHIP (FY2010)**  
**For the Year Ended June 30, 2011**  
**Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 250,000	\$ 250,000	\$ 153,328
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>153,328</u>
Expenditures			
Salaries	27,335	29,335	16,353
Employee benefits	8,717	9,217	4,881
Purchased services	71,095	70,595	29,864
Supplies and materials	24,578	27,578	23,705
Capital outlay	8,685	16,685	-
Other	-	-	69
Payments to other governments	109,590	96,590	78,525
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>153,397</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(69)</u>
Other Financing Sources (Uses)			
Interest	-	-	69
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>69</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of September 1, 2010 to June 30, 2011)  
EDUCATION FUND ACCOUNTS  
ARRA - TITLE I - SCHOOL IMPROVEMENT AND ACCOUNTABILITY  
For the Year Ended June 30, 2011  
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 140,000	\$ 140,000	\$ 140,000
Total Revenues	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>
Expenditures			
Salaries	64,950	54,950	54,969
Employee benefits	15,449	11,449	12,105
Purchased services	56,511	66,511	67,297
Supplies and materials	3,090	4,590	3,504
Other	-	-	10
Payments to other governments	-	2,500	2,125
Total Expenditures	<u>140,000</u>	<u>140,000</u>	<u>140,010</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(10)</u>
Other Financing Sources (Uses)			
Interest	-	-	10
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>10</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2010 to June 30, 2011)  
EDUCATION FUND ACCOUNTS  
RURAL EDUCATION ACHIEVEMENT PROGRAM  
For the Year Ended June 30, 2011  
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 25,334	\$ 25,334	\$ 25,334
Total Revenues	<u>25,334</u>	<u>25,334</u>	<u>25,334</u>
Expenditures			
Payments to other governments	25,334	25,334	25,334
Total Expenditures	<u>25,334</u>	<u>25,334</u>	<u>25,334</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2010 to June 30, 2011)  
EDUCATION FUND ACCOUNTS  
MCKINNEY VENTO EDUCATION FOR HOMELESS CHILDREN  
For the Year Ended June 30, 2011  
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 13,646	\$ 13,646	\$ 13,646
Total Revenues	<u>13,646</u>	<u>13,646</u>	<u>13,646</u>
Expenditures			
Salaries	11,750	11,750	12,125
Employee benefits	170	170	176
Purchased services	1,619	1,619	1,177
Supplies and materials	107	107	168
Other	-	-	2
Total Expenditures	<u>13,646</u>	<u>13,646</u>	<u>13,648</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>
Other Financing Sources (Uses)			
Interest	-	-	2
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of September 1, 2009 to August 31, 2010)  
EDUCATION FUND ACCOUNTS  
GIFTED EDUCATION  
For the Year Ended June 30, 2011  
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 59,623	\$ 59,623	\$ 23,317
Total Revenues	<u>59,623</u>	<u>59,623</u>	<u>23,317</u>
Expenditures			
Salaries	27,100	30,100	9,250
Employee benefits	3,996	1,496	134
Purchased services	5,108	11,608	6,409
Supplies and materials	11,400	7,400	3,857
Other	-	-	29
Payments to other governments	12,019	9,019	3,667
Total Expenditures	<u>59,623</u>	<u>59,623</u>	<u>23,346</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(29)</u>
Other Financing Sources (Uses)			
Interest	-	-	29
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>29</u>
Net Change in Fund Balances	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2010 to June 30, 2011)  
EDUCATION FUND ACCOUNTS  
ROE/ISC OPERATIONS  
For the Year Ended June 30, 2011  
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 27,925	\$ 50,466	\$ 47,200
Total Revenues	<u>27,925</u>	<u>50,466</u>	<u>47,200</u>
Expenditures			
Salaries	15,375	26,750	27,352
Employee benefits	4,961	11,893	12,628
Purchased services	6,528	10,021	9,662
Supplies and materials	511	702	695
Capital outlay	250	500	-
Other	300	600	131
Total Expenditures	<u>27,925</u>	<u>50,466</u>	<u>50,468</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(3,268)</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>2</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</u>
Net Change in Fund Balances	-	-	(3,266)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,266)</u>

**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of August 26, 2010 to August 31, 2011)**  
**EDUCATION FUND ACCOUNTS**  
**BEGINNING TEACHER INDUCTION PILOT PROGRAM (FY2011)**  
**For the Year Ended June 30, 2011**  
**Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 57,884	\$ 57,884	\$ 32,502
Total Revenues	<u>57,884</u>	<u>57,884</u>	<u>32,502</u>
Expenditures			
Salaries	12,500	12,500	7,500
Employee benefits	181	181	109
Purchased services	7,542	7,542	3,629
Supplies and materials	461	461	1,414
Other	-	-	3
Payments to other governments	37,200	37,200	19,850
Total Expenditures	<u>57,884</u>	<u>57,884</u>	<u>32,505</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(3)</u>
Other Financing Sources (Uses)			
Interest	-	-	3
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of October 1, 2009 to August 31, 2010)  
EDUCATION FUND ACCOUNTS  
BEGINNING TEACHER INDUCTION PILOT PROGRAM (FY2010)  
For the Year Ended June 30, 2011  
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 72,650	\$ 72,650	\$ 55,083
Total Revenues	<u>72,650</u>	<u>72,650</u>	<u>55,083</u>
Expenditures			
Salaries	15,000	15,000	6,000
Employee benefits	215	215	162
Purchased services	6,285	6,285	1,418
Supplies and materials	1,500	1,500	1,128
Payments to other governments	49,650	49,650	46,375
Total Expenditures	<u>72,650</u>	<u>72,650</u>	<u>55,083</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of September 1, 2010 to August 31, 2011)  
EDUCATION FUND ACCOUNTS  
LEARN AND SERVE AMERICA  
For the Year Ended June 30, 2011  
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 12,500	\$ 12,500	\$ 12,500
Total Revenues	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>
Expenditures			
Salaries	3,000	2,000	2,935
Employee benefits	230	230	214
Purchased services	3,250	2,250	2,033
Supplies and materials	2,020	1,020	1,318
Other	-	-	20
Payments to other governments	4,000	7,000	6,000
Total Expenditures	<u>12,500</u>	<u>12,500</u>	<u>12,520</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(20)</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>20</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>20</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of December 23, 2009 to August 31, 2010)  
EDUCATION FUND ACCOUNTS  
WE THE PEOPLE CITIZEN PROJECT  
For the Year Ended June 30, 2011  
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Local sources	\$ -	\$ -	\$ 2,027
Federal sources	10,000	12,500	1,098
Total Revenues	<u>10,000</u>	<u>12,500</u>	<u>3,125</u>
Expenditures			
Salaries	3,000	3,000	1,131
Employee benefits	230	230	232
Purchased services	1,970	3,220	1,309
Supplies and materials	800	2,050	977
Other	-	-	9
Payments to other governments	4,000	4,000	-
Total Expenditures	<u>10,000</u>	<u>12,500</u>	<u>3,658</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(533)</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>9</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>9</u>
Net Change in Fund Balance	-	-	(524)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>1,452</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 928</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2010 to August 31, 2011)  
EDUCATION FUND ACCOUNTS  
TRUANTS ALTERNATIVE OPTIONAL EDUCATION  
For the Year Ended June 30, 2011  
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 52,791	\$ 52,791	\$ 48,500
Total Revenues	<u>52,791</u>	<u>52,791</u>	<u>48,500</u>
Expenditures			
Salaries	40,525	40,525	42,600
Employee benefits	3,633	3,633	3,805
Purchased services	8,206	8,206	6,093
Supplies and materials	427	427	293
Total Expenditures	<u>52,791</u>	<u>52,791</u>	<u>52,791</u>
Net Change in Fund Balance	-	-	(4,291)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,291)</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2011**

	<u>Teacher's Institute Fund</u>	<u>Bus Driver Permit Fund</u>	<u>General Education Development Fund</u>	
	<u>Waterloo</u>	<u>Waterloo</u>	<u>Waterloo</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 34,153	\$ 1,438	\$ 20,555	\$ 56,146
Due from other governments	-	-	70	70
Total Assets	<u>\$ 34,153</u>	<u>\$ 1,438</u>	<u>\$ 20,625</u>	<u>\$ 56,216</u>
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance				
Restricted	34,153	1,438	20,625	56,216
Total Fund Balances	<u>34,153</u>	<u>1,438</u>	<u>20,625</u>	<u>56,216</u>
Total Liabilities and Fund Balances	<u>\$ 34,153</u>	<u>\$ 1,438</u>	<u>\$ 20,625</u>	<u>\$ 56,216</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2011**

	Teacher's Institute Fund	Bus Driver Permit Fund	General Education Development Fund	
	<u>Waterloo</u>	<u>Waterloo</u>	<u>Waterloo</u>	<u>Total</u>
Revenues				
Local sources	\$ 10,527	\$ 1,248	\$ 5,829	\$ 17,604
State sources	-	763	590	1,353
Total Revenues	<u>10,527</u>	<u>2,011</u>	<u>6,419</u>	<u>18,957</u>
Expenditures				
Salaries	1,704	-	454	2,158
Employee benefits	53	-	35	88
Purchased services	13,212	972	1,070	15,254
Supplies and materials	1,562	-	1,302	2,864
Other	-	-	664	664
Total Expenditures	<u>16,531</u>	<u>972</u>	<u>3,525</u>	<u>21,028</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(6,004)</u>	<u>1,039</u>	<u>2,894</u>	<u>(2,071)</u>
Other Financing Sources (Uses)				
Interest	199	5	114	318
Total Other Financing Sources (Uses)	<u>199</u>	<u>5</u>	<u>114</u>	<u>318</u>
Net Change in Fund Balance	(5,805)	1,044	3,008	(1,753)
Fund Balance - Beginning	<u>39,958</u>	<u>394</u>	<u>17,617</u>	<u>57,969</u>
Fund Balance - Ending	<u>\$ 34,153</u>	<u>\$ 1,438</u>	<u>\$ 20,625</u>	<u>\$ 56,216</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
June 30, 2011**

	Distributive Fund	Human Services Educational/ Vocational Project Funds	Total Agency Funds
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ 1,186,584	\$ 1,186,584
Due from other governments	1,114,728	334,578	1,449,306
Total Assets	\$ 1,114,728	\$ 1,521,162	\$ 2,635,890
<i>Liabilities</i>			
Due to other governments	\$ 1,114,728	\$ 1,521,162	\$ 2,635,890
Total Liabilities	\$ 1,114,728	\$ 1,521,162	\$ 2,635,890

**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, 2011**

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<b><u>Distributive Fund</u></b>				
Assets				
Cash and cash equivalents	\$ -	\$ 4,172,166	\$ 4,172,166	\$ -
Due from other governments	<u>1,314,361</u>	<u>1,114,728</u>	<u>1,314,361</u>	<u>1,114,728</u>
Total Assets	<u>\$ 1,314,361</u>	<u>\$ 5,286,894</u>	<u>\$ 5,486,527</u>	<u>\$ 1,114,728</u>
Liabilities				
Due to other governments	<u>\$ 1,314,361</u>	<u>\$ 5,286,894</u>	<u>\$ 5,486,527</u>	<u>\$ 1,114,728</u>
Total Liabilities	<u>\$ 1,314,361</u>	<u>\$ 5,286,894</u>	<u>\$ 5,486,527</u>	<u>\$ 1,114,728</u>
<b><u>Human Services Educational/Vocational Project</u></b>				
Assets				
Cash and cash equivalents	\$ 1,368,256	\$ 1,186,584	1,368,256	\$ 1,186,584
Due from other governments	<u>219,854</u>	<u>334,578</u>	<u>219,854</u>	<u>334,578</u>
Total Assets	<u>\$ 1,588,110</u>	<u>\$ 1,521,162</u>	<u>\$ 1,588,110</u>	<u>\$ 1,521,162</u>
Liabilities				
Due to other governments	<u>\$ 1,588,110</u>	<u>\$ 1,521,162</u>	<u>\$ 1,588,110</u>	<u>\$ 1,521,162</u>
Total Liabilities	<u>\$ 1,588,110</u>	<u>\$ 1,521,162</u>	<u>\$ 1,588,110</u>	<u>\$ 1,521,162</u>
<b><u>Total</u></b>				
Assets				
Cash and cash equivalents	\$ 1,368,256	\$ 5,358,750	\$ 5,540,422	\$ 1,186,584
Due from other governments	<u>1,534,215</u>	<u>1,449,306</u>	<u>1,534,215</u>	<u>1,449,306</u>
Total Assets	<u>\$ 2,902,471</u>	<u>\$ 6,808,056</u>	<u>\$ 7,074,637</u>	<u>\$ 2,635,890</u>
Liabilities				
Due to other governments	<u>\$ 2,902,471</u>	<u>\$ 6,808,056</u>	<u>\$ 7,074,637</u>	<u>\$ 2,635,890</u>
Total Liabilities	<u>\$ 2,902,471</u>	<u>\$ 6,808,056</u>	<u>\$ 7,074,637</u>	<u>\$ 2,635,890</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
DISTRIBUTIVE FUND  
For the Year Ended June 30, 2011**

Distributions	Acct. No.	Total	ROE #45	Beck Area Vocational Center	Mental Health	Chester NHSD 122	OKAW Regional Voc System-EFE
<b>Local Funds</b>							
Distributive Fund Interest	1510	\$ 147	\$ 147	-	-	-	-
Total Local Funds		<u>147</u>	<u>147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>State Funds</b>							
General State Aid - Sec. 18-8	3001	978,366	108,239	684,929	-	185,198	-
Special Ed. - Extraordinary	3105	6,152	-	-	-	6,152	-
Voc. Ed. - Secondary Program Improvement	3220	1,309,493	-	-	654,557	-	654,936
Voc. Ed. - Agricultural Education	3235	13,971	-	-	-	-	13,971
State Free Lunch & Breakfast	3360	1,421	148	1,273	-	-	-
Transportation - Regular	3500	143,794	-	118,779	-	25,015	-
ROE School Bus Driver Training	3520	763	763	-	-	-	-
Truants Alternative/Operational Education	3695	24,500	24,500	-	-	-	-
Regional Safe Schools Program	3696	87,211	87,211	-	-	-	-
ROE/ISC Operations	3730	42,249	42,249	-	-	-	-
Teacher Mentoring Pilot Program	3982	101,034	101,034	-	-	-	-
Total State Funds		<u>2,708,954</u>	<u>364,144</u>	<u>804,981</u>	<u>654,557</u>	<u>216,365</u>	<u>668,907</u>
<b>Federal Funds</b>							
National School Lunch Program	4210	25,534	2,536	22,998	-	-	-
School Breakfast Program	4220	14,599	1,392	13,207	-	-	-
IASA - Drug Free Schools - Formula	4400	4	4	-	-	-	-
Fed. - Sp. Ed. - Pre-School Flow Through	4600	33,000	-	-	33,000	-	-
Fed. - Sp. Ed. - IDEA - Flow Through	4620	46,360	-	-	46,360	-	-
V.E. PERKINS	4740	145,228	-	-	145,228	-	-
V. E. - Perkins - Title IIC - Secondary	4745	98,428	-	-	-	-	98,428
ARRA - Title I School Improvement	4850	134,496	134,496	-	-	-	-
ARRA - Jobs Fund Program	4880	89,090	9,855	62,373	-	16,862	-
Learn and Serve America	4910	15,000	15,000	-	-	-	-
Title II - Teacher Quality	4932	1,193	-	1,193	-	-	-
Mathematics & Science Partnerships	4936	860,133	860,133	-	-	-	-
Total Federal Funds		<u>1,463,065</u>	<u>1,023,416</u>	<u>99,771</u>	<u>224,588</u>	<u>16,862</u>	<u>98,428</u>
Total Distributions		<u>\$ 4,172,166</u>	<u>\$ 1,387,707</u>	<u>\$ 904,752</u>	<u>\$ 879,145</u>	<u>\$ 233,227</u>	<u>\$ 767,335</u>

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2011**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	ISBE Project # (1st 8 digits) or Contract #	Federal Expenditures
<b>U. S. Department of Education - Direct Program</b>			
Rural Education			
Rural Education Achievement Program	84.358A	S358A106739	\$ 25,334
<b>U. S. Department of Education passed through Illinois Community College Board</b>			
Adult Education - Basic Grants to States			
Adult Education - Federal Basic	84.002A	N/A	38,399
<b>U. S. Department of Education passed through Illinois State Board of Education</b>			
Mathematics & Science Partnerships			
Mathematics & Science Partnership	84.366B	10-4936-00	153,328
Mathematics & Science Partnership	84.366B	10-4936-10	173,610
Mathematics & Science Partnership	84.366B	11-4936-00	104,820
Mathematics & Science Partnership	84.366B	11-4936-10	24,414
Mathematics & Science Partnership	84.366B	11-4936-20	176,042
Mathematics & Science Partnership	84.366B	11-4936-21	34,398
			<u>666,612</u>
Title I Grants to Local Educational Agencies, Recovery Act			
ARRA - Title I - School Improvement and Accountability	84.389A	11-4854-00	140,000
Education Jobs Fund			
ARRA - Education Jobs Fund Program	84.410A	11-4880-93	9,855
Safe and Drug-Free Schools and Communities - State Grants			
Title IV - Safe and Drug Free Schools - Formula	84.186A	11-4400-00	4
<b>Total U. S. Department of Education passed through Illinois State Board of Education</b>			<u>816,471</u>
<b>U. S. Department of Education passed through Regional Office of Education #3</b>			
Education for Homeless Children and Youth			
McKinney Education for Homeless Children	84.196A	11-4920-00	13,646
<b>TOTAL US DEPARTMENT OF EDUCATION</b>			<u>893,850</u>
<b>U. S. Department of Agriculture passed through Illinois State Board of Education</b>			
School Breakfast Program			
School Breakfast Program	10.553	10-4220-00	150
School Breakfast Program	10.553	11-4220-00	1,242
			<u>1,392</u>
National School Lunch Program			
National School Lunch Program	10.555	10-4210-00	216
National School Lunch Program	10.555	11-4210-00	2,320
			<u>2,536</u>
<b>Total U. S. Department of Agriculture passed through Illinois State Board of Education</b>			<u>3,928</u>
<b>Corporation for National and Community Service passed through Illinois State Board of Education</b>			
Learn and Service America - School and Community Based Programs			
Learn and Serve America	94.004	10-4910-00	1,098
Learn and Serve America	94.004	11-4910-00	12,500
			<u>13,598</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 911,376</u>

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

**REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2011**

**NOTE 1: REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING**

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

**NOTE 2: SUBRECIPIENTS**

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

Program Title: Mathematics and Science Partnership  
Federal CFDA #: 84.366B  
Amount provided to subrecipients: \$254,411

Program Title: ARRA - Title I - School Improvement and Accountability  
Federal CFDA #: 84.389A  
Amount provided to subrecipients: \$2,125

Program Title: Rural Education Achievement Program  
Federal CFDA #: 84.358A  
Amount provided to subrecipients: \$25,334

Program Title: Learn and Serve America  
Federal CFDA #: 94.004  
Amount provided to subrecipients: \$6,000

**NOTE 3: DESCRIPTION OF MAJOR FEDERAL PROGRAM**

***Mathematics and Science Partnership***

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

**NOTE 4: NON-CASH ASSISTANCE**

None

**NOTE 5: AMOUNT OF INSURANCE**

None

**NOTE 6: LOANS OR LOAN GUARANTEES OUTSTANDING**

None