

**STATE OF ILLINOIS  
CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**FINANCIAL AUDIT  
(In Accordance with the Single Audit Act  
and OMB Circular A-133)  
For the year ended June 30, 2013**

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

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**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**OFFICIALS**

Regional Superintendent (current and during the audit period).....Ms. Keri Garrett

Assistant Regional Superintendent (current and during the audit period) ..... Mr. Brian P. Guthrie

Offices are located at:

Clinton County Office  
930-B Fairfax  
Carlyle, IL 62231

Marion County Office  
Public Services Building  
200 E. Schwartz  
Salem, IL 62881

Washington County Office  
1180 W. St. Louis Street  
Nashville, IL 62263

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMPLIANCE REPORT SUMMARY**

The compliance audit testing performed in 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                                       | 0                 | 1                  |
| Repeated audit findings                              | 0                 | 1                  |
| Prior recommendations implemented<br>or not repeated | 1                 | 1                  |

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> | <u>Finding Type</u> |
|-----------------|-------------|--------------------|---------------------|
|-----------------|-------------|--------------------|---------------------|

FINDINGS (GOVERNMENT AUDITING STANDARDS)

There were no findings for the year ended June 30, 2013.

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

There were no findings for the year ended June 30, 2013.

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

|       |  |   |                   |
|-------|--|---|-------------------|
| 12-01 |  | Controls Over Financial Statement Preparation | Material Weakness |
|-------|--|---|-------------------|

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

There were no findings for the year ended June 30, 2012.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMPLIANCE REPORT SUMMARY** (Continued)

**EXIT CONFERENCE**

The Clinton, Marion and Washington Counties Regional Office of Education No. 13 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2013. Throughout the audit, numerous meetings were held between auditors and Regional Office officials to discuss matters contained in this audit report.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Clinton, Marion, and Washington Counties Regional Office of Education No. 13 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Regional Office of Education No. 13's basic financial statements.

# WEST & COMPANY, LLC

## MEMBERS

E. LYNN FREESE  
RICHARD C. WEST  
BRIAN E. DANIELL  
JANICE K. ROMACK  
DIANA R. SMITH  
D. RAIF PERRY  
JOHN H. VOGT  
JOSHUA D. LOWE

## CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## OFFICES

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EFFINGHAM  
GREENVILLE  
MATTOON  
SULLIVAN

## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

### Report on the Financial Statements

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 Clinton, Marion, and Washington Counties Regional Office of Education No. 13, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Clinton, Marion, and Washington Counties Regional Office of Education No. 13's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **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 Clinton, Marion, and Washington Counties Regional Office of Education No. 13, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Illinois Municipal Retirement Fund – Schedule of Funding Progress on pages 17A-17J and 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clinton, Marion, and Washington Counties Regional Office of Education No. 13's 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, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2014 on our consideration of the Clinton, Marion, and Washington Counties Regional Office of Education No. 13's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clinton, Marion, and Washington Counties Regional Office of Education No. 13's internal control over financial reporting and compliance.

*West + Company, LLC*

Mattoon, Illinois  
May 8, 2014

MEMBERS

E. LYNN FREESE  
RICHARD C. WEST  
BRIAN E. DANIELL  
JANICE K. ROMACK  
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**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***

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clinton, Marion, and Washington Counties Regional Office of Education No. 13, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Clinton, Marion, and Washington Counties Regional Office of Education No. 13's basic financial statements, and have issued our report thereon dated May 8, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Clinton, Marion, and Washington Counties Regional Office of Education No. 13's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Clinton, Marion, and Washington Counties Regional Office of Education No. 13's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clinton, Marion, and Washington Counties Regional Office of Education No. 13's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clinton, Marion, and Washington Counties Regional Office of Education No. 13's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clinton, Marion, and Washington Counties Regional Office of Education No. 13's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clinton, Marion, and Washington Counties Regional Office of Education No. 13's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*West + Company, LLC*

Mattoon, Illinois  
May 8, 2014

MEMBERS

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB  
CIRCULAR A-133**

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

**Report on Compliance for Each Major Federal Program**

We have audited Clinton, Marion, and Washington Counties Regional Office of Education No. 13'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 the Regional Office of Education No. 13's major federal program for the year ended June 30, 2013. The Clinton, Marion, and Washington Counties Regional Office of Education No. 13's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the Clinton, Marion, and Washington Counties Regional Office of Education No. 13's major federal program based on our audit of the types of compliance requirements referred to above. 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 Clinton, Marion, and Washington Counties Regional Office of Education No. 13'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 on compliance for the major federal program. However, our audit does not provide a legal determination of the Clinton, Marion, and Washington Counties Regional Office of Education No. 13's compliance.

## Opinion on Each Major Federal Program

In our opinion, the Clinton, Marion, and Washington Counties Regional Office of Education No. 13 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

Management of Clinton, Marion, and Washington Counties Regional Office of Education No. 13 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Clinton, Marion, and Washington Counties Regional Office of Education No. 13's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 Clinton, Marion, and Washington Counties Regional Office of Education No. 13'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 a 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*West + Company, LLC*

Mattoon, Illinois  
May 8, 2014

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2013

---

Section I -- Summary of Auditors' Results

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**Financial statements**

Type of auditors' report issued:

UNMODIFIED

Internal control over financial reporting:

- Material weakness(es) identified?

\_\_\_\_\_ yes    X no

- Significant deficiency(ies) identified?

\_\_\_\_\_ yes    X none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes    X no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?

\_\_\_\_\_ yes    X no

- Significant deficiency(ies) identified?

\_\_\_\_\_ yes    X none reported

Type of auditors' report issued on compliance for major programs:

UNMODIFIED

Any audit findings disclosed that are required to be reported  
in accordance with Circular A-133, Section .510(a)?

\_\_\_\_\_ yes    X no

Identification of major programs:

CFDA Number(s)

Name of federal program or cluster

84.181

Special Education Grants for Infants and  
Families with Disabilities

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

\_\_\_\_\_ yes    X no

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2013**

**Section II: Financial Statement Findings**

No findings were noted for the year ended June 30, 2013.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2013**

**Section III: Federal Award Findings**

No findings were noted for the year ended June 30, 2013.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR  
AUDIT FINDINGS**

**For the year ended June 30, 2013**

**Corrective Action Plan**

No findings were noted for the year ended June 30, 2013.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the year ended June 30, 2013**

| <b><u>Finding<br/>Number</u></b> | <b><u>Condition</u></b>                       | <b><u>Current Status</u></b> |
|----------------------------------|---|------------------------------|
| 12-01                            | Controls Over Financial Statement Preparation | Resolved                     |

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2013**

Regional Office of Education No. 13 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2013. We encourage readers to consider this information in conjunction with the Regional Office of Education No. 13's financial statements, which follow.

**2013 FINANCIAL HIGHLIGHTS**

- General Fund revenues increased from \$1,012,164 in fiscal year 2012 to \$1,042,685 in fiscal year 2013, and General Fund expenditures also increased from \$1,094,546 in fiscal year 2012 to \$1,179,362 in fiscal year 2013. Other funding sources helped cover expenses and maintain the Regional Office of Education No. 13's General Fund balance which decreased from \$703,654 in fiscal year 2012 to \$686,977 in fiscal year 2013.
- The increase in General Fund revenues was attributed primarily to an increase in local resources and State on-behalf sources of revenue in fiscal year 2013. The Regional Office of Education No. 13 again funded a portion of the current year General Fund services from the carry over fund balance in the General Fund.
- Education Fund revenues increased from \$1,769,197 in fiscal year 2012 to \$2,975,191 in fiscal year 2013, and Education Fund expenditures increased from \$1,793,260 in fiscal year 2012 to \$2,893,084 in fiscal year 2013. Interest revenue decreased from \$1,015 in fiscal year 2012 to \$753 in fiscal year 2013. There was a decrease in the Education Fund balance from \$67,064 in fiscal year 2012 to \$29,171 in fiscal year 2013.
- The increase in Education Fund revenues was attributed to an increase in State and federal sources of revenue in fiscal year 2013. The increase in Education Fund expenditures was attributed to the new special education center administered by the Regional Office of Education during fiscal year 2013.
- The fund balance of the nonmajor funds decreased from \$105,282 in fiscal year 2012 to \$88,336 in fiscal year 2013. A major portion of this change was attributed to a decrease in teacher certificate revenue in the Institute Fund from fiscal year 2012 to fiscal year 2013.

**USING THIS ANNUAL REPORT**

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

- The Regional Office of Education No. 13's Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education No. 13's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Regional Office of Education No. 13 as a whole and present an overall view of the Regional Office of Education No. 13's finances.
- 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 the Regional Office of Education No. 13's operations in more detail than the government-wide statements by providing information about the most significant funds.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2013**

**USING THIS ANNUAL REPORT** (CONTINUED)

- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- The supplementary information further explains and supports the financial statements with a comparison of the Regional Office of Education No. 13's budget for the year and supplementary information also provides detailed information about the non-major funds.

**REPORTING THE REGIONAL OFFICE OF EDUCATION NO. 13 AS A WHOLE**

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

The government-wide statements report information about the Regional Office of Education No. 13 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Regional Office of Education No. 13's assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Regional Office of Education No. 13's net position and how they have changed. Net position – the difference between the Regional Office of Education No. 13's assets and liabilities – is one way to measure the Regional Office of Education No. 13's financial health or position.

- Over time, increases or decreases in the Regional Office of Education No. 13's net position is an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office of Education No. 13's overall health, additional non-financial factors, need to be considered.

In the government-wide financial statements, the Regional Office of Education No. 13's activities are divided into two categories:

- **Governmental activities:** Most of the Regional Office of Education No. 13's basic services are included here, such as regular and special education instruction, student and instructional staff support services and administration. State and federal grants, local school districts, and State aid finance most of these activities.
- **Business-type activities:** The Regional Office of Education No. 13 charges fees to help cover the costs of certain services it provides to school districts in the region.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2013**

**REPORTING THE REGIONAL OFFICE OF EDUCATION NO. 13 AS A WHOLE** (CONTINUED)

**Fund Financial Statements**

The fund financial statements provide detailed information about the Regional Office of Education No. 13's funds, focusing on its most significant or "major" funds – not the Regional Office of Education No. 13 as a whole. Funds are accounting devices the Regional Office of Education No. 13 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office of Education No. 13 establishes other funds to control and manage money for particular purposes.

The Regional Office of Education No. 13 has three kinds of funds:

- Governmental funds account for most of the Regional Office of Education No. 13's basic services. These focus on how cash, and other financial assets that can readily be converted to cash, flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed, short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Regional Office of Education No. 13's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliation between the government-wide statements and the governmental fund statements follow each of the related governmental statements. The Regional Office of Education No. 13's governmental funds include the General Fund and the special revenue funds. The governmental funds' required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
- Proprietary funds account for services for which the Regional Office of Education No. 13 charges fees under a cost-reimbursement method. The proprietary fund's required financial statements include a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.
- Fiduciary funds account for assets that belong to others over which the Regional Office of Education No. 13 is the trustee, or fiduciary. The Regional Office of Education No. 13 is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom the assets belong. The Regional Office of Education No. 13 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of financial position. The Regional Office of Education No. 13's net position at the end of fiscal year 2013 totaled \$1.23 million. This compared to \$1.38 million at the end of fiscal year 2012. The analysis that follows provides a summary of the Regional Office of Education No. 13's net position at June 30, 2013 for the governmental and business-type activities.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (CONTINUED)

CONDENSED STATEMENT OF NET POSITION

GOVERNMENTAL ACTIVITIES

|                                     | 2013       | 2012         | Increase/<br>(Decrease) |
|-------------------------------------|------------|--------------|-------------------------|
| <b>ASSETS:</b>                      |            |              |                         |
| Current assets                      | \$ 957,729 | \$ 1,160,888 | (203,159)               |
| Capital assets, net                 | 14,764     | 23,363       | (8,599)                 |
| Total assets                        | 972,493    | 1,184,251    | (211,758)               |
| Current liabilities                 | 153,245    | 219,898      | (66,653)                |
| <b>NET POSITION:</b>                |            |              |                         |
| Invested in capital assets          | 14,764     | 23,363       | (8,599)                 |
| Restricted for educational purposes | 117,507    | 237,336      | (119,829)               |
| Unrestricted                        | 686,977    | 703,654      | (16,677)                |
| Total net position                  | \$ 819,248 | \$ 964,353   | (145,105)               |

The Regional Office of Education No. 13's combined governmental net position decreased \$145,105 from fiscal year 2012 and the current assets decreased \$203,159.

BUSINESS-TYPE ACTIVITIES

|                            | 2013       | 2012       | Increase/<br>(Decrease) |
|----------------------------|------------|------------|-------------------------|
| <b>ASSETS:</b>             |            |            |                         |
| Current assets             | \$ 409,001 | \$ 409,172 | (171)                   |
| Capital assets, net        | 5,194      | 8,499      | (3,305)                 |
| Total assets               | 414,195    | 417,671    | (3,476)                 |
| Current liabilities        | 6,229      | 971        | 5,258                   |
| <b>NET POSITION:</b>       |            |            |                         |
| Invested in capital assets | 5,194      | 8,499      | (3,305)                 |
| Unrestricted               | 402,772    | 408,201    | (5,429)                 |
| Total net position         | \$ 407,966 | \$ 416,700 | (8,734)                 |

The Regional Office of Education No. 13's business-type activities net position decreased \$8,734 from fiscal year 2012, and the current assets decreased \$171.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (CONTINUED)

STATEMENT OF ACTIVITIES

GOVERNMENTAL ACTIVITIES

|                                    | 2013              | 2012              | Increase/<br>(Decrease) |
|------------------------------------|-------------------|-------------------|-------------------------|
| <b>REVENUES:</b>                   |                   |                   |                         |
| Program revenues:                  |                   |                   |                         |
| Operating grants and contributions | \$ 3,117,144      | \$ 2,032,371      | 1,084,773               |
| General revenues:                  |                   |                   |                         |
| Local sources                      | 180,345           | 190,631           | (10,286)                |
| On-behalf payments - State & local | 700,139           | 659,636           | 40,503                  |
| Interest income                    | 4,827             | 9,724             | (4,897)                 |
| Loss on disposal of equipment      | (262)             | -                 | (262)                   |
| <b>Total revenues</b>              | <b>4,002,193</b>  | <b>2,892,362</b>  | <b>1,109,831</b>        |
| <b>EXPENSES:</b>                   |                   |                   |                         |
| Instructional services:            |                   |                   |                         |
| Salaries and benefits              | 2,683,655         | 1,789,867         | 893,788                 |
| Purchased services                 | 574,304           | 360,479           | 213,825                 |
| Supplies and materials             | 168,685           | 114,416           | 54,269                  |
| Payments to other governments      | 8,758             | 18,255            | (9,497)                 |
| Other objects                      | 799               | 889               | (90)                    |
| Depreciation expense               | 10,958            | 10,958            | -                       |
| Administrative expense:            |                   |                   |                         |
| On-behalf payments - State & local | 700,139           | 659,636           | 40,503                  |
| <b>Total expenses</b>              | <b>4,147,298</b>  | <b>2,954,500</b>  | <b>1,192,798</b>        |
| <b>Change in net position</b>      | <b>(145,105)</b>  | <b>(62,138)</b>   | <b>(82,967)</b>         |
| <b>Net position - beginning</b>    | <b>964,353</b>    | <b>1,026,491</b>  | <b>(62,138)</b>         |
| <b>Net position - ending</b>       | <b>\$ 819,248</b> | <b>\$ 964,353</b> | <b>(145,105)</b>        |

Operating grants and contributions increased \$1,084,773 from fiscal year 2012 to 2013. This increase occurred due to the Regional Office taking on a new Child and Family Connection program based out of O'Fallon, Illinois. The funding for several major grants was seriously reduced, and delayed in payment, causing the Regional Office of Education to fund these programs from surplus funds, resulting in less interest revenue.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (CONTINUED)

STATEMENT OF ACTIVITIES

BUSINESS-TYPE ACTIVITIES

|                          | 2013       | 2012       | Increase/<br>(Decrease) |
|--------------------------|------------|------------|-------------------------|
| <b>REVENUES:</b>         |            |            |                         |
| Program revenues:        |            |            |                         |
| Charges for services     | \$ 157,258 | \$ 171,723 | (14,465)                |
| General revenues:        |            |            |                         |
| Interest income          | 2,143      | 3,951      | (1,808)                 |
| Total revenues           | 159,401    | 175,674    | (16,273)                |
| <b>EXPENSES:</b>         |            |            |                         |
| Instructional services:  |            |            |                         |
| Salaries and benefits    | 53,533     | 58,523     | (4,990)                 |
| Purchased services       | 75,501     | 59,461     | 16,040                  |
| Supplies and materials   | 34,667     | 23,222     | 11,445                  |
| Depreciation expense     | 4,434      | 5,093      | (659)                   |
| Total expenses           | 168,135    | 146,299    | 21,836                  |
| Change in net position   | (8,734)    | 29,375     | (38,109)                |
| Net position - beginning | 416,700    | 387,325    | 29,375                  |
| Net position - ending    | \$ 407,966 | \$ 416,700 | (8,734)                 |

Operating revenue for workshops decreased from FY12 to FY13 due to decreased participation by local teachers. Even so, the expenses for workshops increased due to materials being restocked and an increase in the cost of consultants and instructors. Revenue in the Technology/Testing Cooperative declined due to less participation in student testing as a result of local district attempts to conserve funds. There was also a decline in salaries due to reduced scoring hours because of less district participation in student testing.

**FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS**

We previously noted Regional Office of Education No. 13 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Regional Office of Education No. 13's governmental funds reported combined fund balances of \$804,484 compared with fiscal year 2012's ending fund balances of \$876,000. The Regional Office of Education No. 13 received less interest income in fiscal year 2013 than fiscal year 2012. Most funds have either decreased or stayed constant. The constant funds do not take into account inflation, which results in a further decrease in fund balance. No reductions in responsibilities have occurred, rather they have increased.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2013**

**FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS (CONTINUED)**

**Governmental Fund Highlights**

The Regional Office of Education No. 13's General Fund financial position is the product of many factors, including the increase in the cost of services provided to local schools and the fluctuation in the amount of funds received from State and federal sources from year to year while responsibilities remain the same or increase. Increased costs to deliver services are a continuing drain on the Regional Office of Education No. 13 financial resources.

The following is a summary of the Regional Office of Education No. 13's activities:

The Regional Office of Education No. 13 continues to offer technical assistance and professional development activities to teachers across the complete curriculum area. We have at least 1,300 teachers who have received professional development to improve their basic knowledge and/or their teaching pedagogy. The Pre-Kindergarten program resumed operation in FY12 with 14 sites and approximately 360 students. We have two schools for students who have experienced serious difficulties in the public schools. Our Truant Alternative School serves approximately 55 students and works with additional students to ameliorate their truancy problems. We operate a Safe School that serves approximately 32 students each year with an individually based educational program. The Safe School students are students who have been referred because of serious behavior problems within the sending school. We also offer teacher certificate assistance, and help teachers completing re-certification requirements and acquiring additional certificate endorsements. There are a variety of other regulatory programs that are statute based that require inspection of the schools for nearly all areas, as well as inspections for building safety. A General Education Diploma is offered through our cooperative effort with Kaskaskia College, which includes testing to meet high school equivalency. We are responsible for professional development activities to maintain certification by our school administrators through the administrator academy. In summary, we also have a variety of smaller programs that would be classified as consultative services directly to the schools.

Further, we assist parents and other patrons on a daily basis as they call for information and/or other questions or problems with their children. We offer guidance services to parents as well as serving as a liaison or arbitrator between parents and schools. We answer questions regarding bus service, grade problems, and even sports issues. We estimate that we have ten calls or personal visits from parents each day.

**Proprietary Fund Highlights**

The Regional Office of Education's proprietary funds are Workshops, Technology/Testing Cooperative, and Film Cooperative. The testing service allows schools to receive their testing results back within approximately one week in order for them to use those results to direct their curriculum activities. The Technology/Testing Cooperative service gives direct assistance to staff in the schools to maintain and upgrade their technology efforts. This includes a strong emphasis on utilizing technology in the classroom as a teaching tool for students. The Regional Office of Education No. 13 also has a film cooperative program that purchases film and video materials for instructional use by schools in the region.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2013**

**FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS (CONTINUED)**

**Fiduciary Fund Type**

The Regional Office of Education No. 13's agency fund is used to account for assets held by the Regional Office of Education No. 13 in 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.

**MEASUREMENT FOCUS**

The fund financial statements of all governmental funds 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 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 fund balance. 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 concepts 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 amounts will be paid to the Regional Office of Education No. 13; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures 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.

The fund financial statements of the Proprietary Funds 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 the related cash flows.

**BUDGETARY HIGHLIGHTS**

The Regional Office of Education No. 13 Advisory Board approves an education plan. Although the budget document presents functional disbursements by fund, the legal level of control is at the total expenditure level, not at the fund or fund type level. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. Over the course of the year, the Regional Office of Education No. 13 amended its annual operating budget several times to reflect additional revenue and expenditures associated with the additional services needed and provided to the local school districts. The Regional Office of Education No. 13 has a three-county budget for administrative purposes. Each county contributes financially to the Regional Office of Education No. 13 based upon the county's population. The total funds furnished by all three counties were \$184,001.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2013**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Regional Office of Education No. 13 does not invest in land or buildings. All other equipment remains owned by the State. Items purchased costing over \$500 are listed on the Regional Office of Education No. 13's inventory. At June 30, 2013, the Regional Office of Education No. 13 had an investment in capital assets of \$19,958 which is the original cost of the assets less the accumulated depreciation.

During fiscal year 2013 the Regional Office of Education No. 13 made purchases costing \$3,750. Miscellaneous outdated equipment and furniture were discarded.

**Debt**

The Regional Office of Education No. 13 incurs no debt. All bills are paid by the end of the fiscal year.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

At the time these financial statements were prepared and audited, the Regional Office of Education No. 13 was aware of existing circumstances that could significantly affect its financial health in the future.

- The Regional Office of Education No. 13 has experienced an increase in the number of students being served by its programs in the past few years. A slight increase in enrollments is expected and included in the budget based on request from local school districts.
- The Regional Office of Education No. 13 provides programs and services in compliance with statutory, regulatory and mandated requirements from the legislation and the Illinois State Board of Education despite a level of funding from the State that does not keep pace with the increasing cost of providing such programs and services. Consequently, the Regional Office of Education No. 13 is forced to maintain a limited professional and clerical staff while trying to provide a consistent level of support and services to schools. Additional services are provided when funding allows or when cost-recovery mechanisms can be associated with the services.
- A limited number of federal and State grant programs help support the Regional Office of Education No. 13's programs. Funding from these grant programs are not assured from year to year. Because of limited availability of funds to other agencies and organizations, there is increased competition for funded grant programs due in part to a reduction in the amount of grant funding available and the similar financial circumstances all entities are experiencing. The future of the Regional Office of Education No. 13 (and the programs and services they provide) is directly dependent on their abilities to compete for grant funding.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2013**

**ADDITIONAL INFORMATION**

The following information is furnished to further explain the Regional Office of Education No. 13 financial analysis and planning:

The Management's Discussion and Analysis for the year ended June 30, 2013 is a continual and ongoing review of the financial statements, accounting and reporting of capital assets and internal funds. This review has the objective to accomplish several things; namely, where we have spent our funds, the relationship of those expenditures to the budget, an analysis of our remaining funds to complete our mission, and a cross-check to balance the various funds. This analysis includes ensuring that the proper documentation, authorization, and expenditures are complete and tied directly to our budget line items.

Our management team utilizes the discussion and analysis to determine what changes may need to be made in the budget relative to our expenditures in meeting our objectives. We have determined that some objectives may have to be scaled back due to reduced funding from State and federal sources. Our analysis has revealed that State funding projections do not always meet expectations. For example, several programs have received substantial reductions at the very last minute even though projected information from the State indicated a higher level of funding.

Improved financial planning to meet objectives could occur if the State and federal sources gave more accurate projections. The maintaining and hiring of staff could be improved if more accurate funding information was available. A major part of the goals, responsibilities, and activities are determined by either legislation or direction from the Illinois State Board of Education. Funding from those sources generally does not meet the expected mandates.

Our planning and analysis based on this current year and previous years indicate that we will continue to receive less funding. We will plan accordingly and prioritize those goals and responsibilities. In summary, the Management's Discussion and Analysis is a very helpful and necessary tool to assist the Regional Office of Education No. 13 in meeting its responsibilities.

**SUBSEQUENT EVENTS**

On June 25, 2012, Public Act 97-0703 (and amended by Public Act 98-0594 on November 15, 2013) was signed into law to reduce the total number of Regional Offices of Education to thirty-five. Action taken on November 22, 2013 by the Illinois State Board of Education, which recognized county board resolutions prior to June 30, 2013, will cause the Regional Office of Education No. 25 to disband and Jefferson County to consolidate with Regional Office of Education No. 13. Under the direction of the Illinois State Board of Education, the Regional Superintendent will make the necessary financial plans needed to make the transition into these newly consolidated regions.

**CONTACTING THE REGIONAL OFFICE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Regional Office of Education No. 13's citizens, taxpayers, customers, and creditors with a general overview of the Regional Office of Education No. 13's finances and to demonstrate the Regional Office of Education No. 13's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Regional Office of Education No. 13, 930-B Fairfax Street, Carlyle, Illinois 62231.

## **BASIC FINANCIAL STATEMENTS**

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**STATEMENT OF NET POSITION  
June 30, 2013**

|                                     | Primary Government         |                             |              |
|-------------------------------------|----------------------------|-----------------------------|--------------|
|                                     | Governmental<br>Activities | Business-Type<br>Activities | Total        |
| <b>ASSETS</b>                       |                            |                             |              |
| Current assets:                     |                            |                             |              |
| Cash and cash equivalents           | \$ 852,716                 | \$ 291,137                  | \$ 1,143,853 |
| Accounts receivable                 | 74                         | -                           | 74           |
| Due from other governments          | 214,633                    | 8,170                       | 222,803      |
| Internal balances                   | (109,694)                  | 109,694                     | -            |
| Total current assets                | 957,729                    | 409,001                     | 1,366,730    |
| Noncurrent assets:                  |                            |                             |              |
| Capital assets, net                 | 14,764                     | 5,194                       | 19,958       |
| Total assets                        | 972,493                    | 414,195                     | 1,386,688    |
| <b>LIABILITIES</b>                  |                            |                             |              |
| Current liabilities:                |                            |                             |              |
| Accounts payable                    | 2,000                      | 6,000                       | 8,000        |
| Salaries and benefits payable       | 151,245                    | -                           | 151,245      |
| Due to other governments            | -                          | 229                         | 229          |
| Total current liabilities           | 153,245                    | 6,229                       | 159,474      |
| <b>NET POSITION</b>                 |                            |                             |              |
| Net investment in capital assets    | 14,764                     | 5,194                       | 19,958       |
| Restricted for educational purposes | 117,507                    | -                           | 117,507      |
| Unrestricted                        | 686,977                    | 402,772                     | 1,089,749    |
| Total net position                  | \$ 819,248                 | \$ 407,966                  | \$ 1,227,214 |

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**STATEMENT OF ACTIVITIES  
For the year ended June 30, 2013**

| FUNCTIONS/PROGRAMS            | Program Revenues    |                         |  | Net (Expense) Revenue and<br>Changes in Net Position |                             |                     |
|-------------------------------|---------------------|-------------------------|--|--|-----------------------------|---------------------|
|                               | Expenses            | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Primary Government                                   |                             |                     |
|                               |                     |                         |  | Governmental<br>Activities                           | Business-Type<br>Activities | Total               |
| Governmental activities:      |                     |                         |  |  |                             |                     |
| Instructional services:       |                     |                         |  |  |                             |                     |
| Salaries and benefits         | \$ 2,683,655        | \$ -                    | \$ 2,463,780                             | \$ (219,875)   | \$ -                        | \$ (219,875)        |
| Purchased services            | 574,304             | -                       | 499,949                                  | (74,355)   | -                           | (74,355)            |
| Supplies and materials        | 168,685             | -                       | 142,502                                  | (26,183)   | -                           | (26,183)            |
| Capital outlay                | -                   | -                       | 2,621                                    | 2,621  | -                           | 2,621               |
| Payments to other governments | 8,758               | -                       | 8,292                                    | (466)  | -                           | (466)               |
| Other objects                 | 799                 | -                       | -  | (799)  | -                           | (799)               |
| Depreciation                  | 10,958              | -                       | -  | (10,958)   | -                           | (10,958)            |
| Administrative:               |                     |                         |  |  |                             |                     |
| On-behalf payments - local    | 184,001             | -                       | -  | (184,001)  | -                           | (184,001)           |
| On-behalf payments - state    | 516,138             | -                       | -  | (516,138)  | -                           | (516,138)           |
| Total governmental activities | <u>4,147,298</u>    | <u>-</u>                | <u>3,117,144</u>                         | <u>(1,030,154)</u>                                   | <u>-</u>                    | <u>(1,030,154)</u>  |
| Business-type activities      |                     |                         |  |  |                             |                     |
| Instructional services        | <u>168,135</u>      | <u>157,258</u>          | <u>-</u>                                 | <u>-</u>   | <u>(10,877)</u>             | <u>(10,877)</u>     |
| Total primary government      | <u>\$ 4,315,433</u> | <u>\$ 157,258</u>       | <u>\$ 3,117,144</u>                      | <u>(1,030,154)</u>                                   | <u>(10,877)</u>             | <u>(1,041,031)</u>  |
| General revenues:             |                     |                         |  |  |                             |                     |
| Local sources                 |                     |                         |  | 180,345  | -                           | 180,345             |
| On-behalf payments - local    |                     |                         |  | 184,001  | -                           | 184,001             |
| On-behalf payments - state    |                     |                         |  | 516,138  | -                           | 516,138             |
| Interest                      |                     |                         |  | 4,827  | 2,143                       | 6,970               |
| Loss on disposal of equipment |                     |                         |  | (262)  | -                           | (262)               |
| Total general revenues        |                     |                         |  | <u>885,049</u>                                       | <u>2,143</u>                | <u>887,192</u>      |
| Change in net position        |                     |                         |  | (145,105)  | (8,734)                     | (153,839)           |
| Net position - beginning      |                     |                         |  | <u>964,353</u>                                       | <u>416,700</u>              | <u>1,381,053</u>    |
| Net position - ending         |                     |                         |  | <u>\$ 819,248</u>                                    | <u>\$ 407,966</u>           | <u>\$ 1,227,214</u> |

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013**

|                                      | General<br>Fund   | Education<br>Fund | Other<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------|-------------------|-------------------|----------------------------|--------------------------------|
|                                      | <u>          </u> | <u>          </u> | <u>          </u>          | <u>          </u>              |
| <b>ASSETS</b>                        |                   |                   |                            |                                |
| Cash and cash equivalents            | \$ 708,716        | \$ 55,570         | \$ 88,430                  | \$ 852,716                     |
| Accounts receivable                  | -                 | 74                | -                          | 74                             |
| Due from other governments           | 3,221             | 211,252           | 160                        | 214,633                        |
|                                      | <u>          </u> | <u>          </u> | <u>          </u>          | <u>          </u>              |
| Total assets                         | <u>\$ 711,937</u> | <u>\$ 266,896</u> | <u>\$ 88,590</u>           | <u>\$ 1,067,423</u>            |
| <b>LIABILITIES AND FUND BALANCES</b> |                   |                   |                            |                                |
| <b>LIABILITIES</b>                   |                   |                   |                            |                                |
| Accounts payable                     | \$ -              | \$ 2,000          | \$ -                       | \$ 2,000                       |
| Salaries and benefits payable        | 24,960            | 126,285           | -                          | 151,245                        |
| Due to other funds                   | -                 | 109,440           | 254                        | 109,694                        |
|                                      | <u>          </u> | <u>          </u> | <u>          </u>          | <u>          </u>              |
| Total liabilities                    | <u>24,960</u>     | <u>237,725</u>    | <u>254</u>                 | <u>262,939</u>                 |
| <b>FUND BALANCES</b>                 |                   |                   |                            |                                |
| Restricted                           | -                 | 53,128            | 88,590                     | 141,718                        |
| Assigned                             | 633,862           | -                 | -                          | 633,862                        |
| Unassigned                           | 53,115            | (23,957)          | (254)                      | 28,904                         |
|                                      | <u>          </u> | <u>          </u> | <u>          </u>          | <u>          </u>              |
| Total fund balances                  | <u>686,977</u>    | <u>29,171</u>     | <u>88,336</u>              | <u>804,484</u>                 |
|                                      | <u>          </u> | <u>          </u> | <u>          </u>          | <u>          </u>              |
| Total liabilities and fund balances  | <u>\$ 711,937</u> | <u>\$ 266,896</u> | <u>\$ 88,590</u>           | <u>\$ 1,067,423</u>            |

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS**

**June 30, 2013**

|   |                          |
|---|--------------------------|
| Total fund balances-governmental funds  | \$ 804,484               |
| Amounts reported for governmental activities in the Statement of Net Position are different because:                      |                          |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | <u>14,764</u>            |
| Net position of governmental activities   | <u><u>\$ 819,248</u></u> |

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the year ended June 30, 2013**

|  | General<br>Fund   | Education<br>Fund | Other<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|--|-------------------|-------------------|----------------------------|--------------------------------|
| <b>Revenues:</b>   |                   |                   |                            |                                |
| Local sources  | \$ 129,994        | \$ 2,235          | \$ 48,116                  | \$ 180,345                     |
| State sources  | 208,922           | 2,437,921         | 1,009                      | 2,647,852                      |
| Federal sources  | -                 | 534,282           | -                          | 534,282                        |
| On-behalf payments - local                                   | 184,001           | -                 | -                          | 184,001                        |
| On-behalf payments - state                                   | 516,138           | -                 | -                          | 516,138                        |
| Interest   | 3,630             | 753               | 444                        | 4,827                          |
| <b>Total revenues</b>  | <b>1,042,685</b>  | <b>2,975,191</b>  | <b>49,569</b>              | <b>4,067,445</b>               |
| <b>Expenditures:</b>   |                   |                   |                            |                                |
| <b>Instructional services:</b>                               |                   |                   |                            |                                |
| Salaries and benefits  | 316,112           | 2,333,646         | 33,897                     | 2,683,655                      |
| Purchased services   | 137,829           | 416,105           | 20,370                     | 574,304                        |
| Supplies and materials                                       | 24,483            | 131,954           | 12,248                     | 168,685                        |
| Payments to other governments                                | -                 | 8,758             | -                          | 8,758                          |
| Other objects  | 799               | -                 | -                          | 799                            |
| On-behalf payments - local                                   | 184,001           | -                 | -                          | 184,001                        |
| On-behalf payments - state                                   | 516,138           | -                 | -                          | 516,138                        |
| Capital outlay   | -                 | 2,621             | -                          | 2,621                          |
| <b>Total expenditures</b>                                    | <b>1,179,362</b>  | <b>2,893,084</b>  | <b>66,515</b>              | <b>4,138,961</b>               |
| Excess (deficiency) of revenues<br>over (under) expenditures | (136,677)         | 82,107            | (16,946)                   | (71,516)                       |
| <b>Other financing sources (uses):</b>                       |                   |                   |                            |                                |
| Transfers in   | 120,000           | -                 | -                          | 120,000                        |
| Transfers out  | -                 | (120,000)         | -                          | (120,000)                      |
| <b>Total other financing sources (uses)</b>                  | <b>120,000</b>    | <b>(120,000)</b>  | <b>-</b>                   | <b>-</b>                       |
| <b>Net change in fund balances</b>                           | <b>(16,677)</b>   | <b>(37,893)</b>   | <b>(16,946)</b>            | <b>(71,516)</b>                |
| Fund balances, beginning of year                             | 703,654           | 67,064            | 105,282                    | 876,000                        |
| Fund balances, end of year                                   | <u>\$ 686,977</u> | <u>\$ 29,171</u>  | <u>\$ 88,336</u>           | <u>\$ 804,484</u>              |

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**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, 2013**

|   |  |          |              |
|---|--|----------|--------------|
| Net change in fund balances   | \$ (71,516)  |          |              |
| <p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>   |  |          |              |
| <p>Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are not considered "available" revenues and are deferred in the governmental funds.</p>                                |  |          |              |
| Prior year "deferred" revenue that is recorded as revenue in the fund statements in the current fiscal year.  | (64,990)   |          |              |
| <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>           |  |          |              |
| Capital outlay  | \$ 2,621   |          |              |
| Depreciation expense  | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;">(10,958)</td> <td style="width: 40%; border-bottom: 1px solid black;">(8,337)</td> </tr> </table> | (10,958) | (8,337)      |
| (10,958)  | (8,337)  |          |              |
| <p>Governmental funds only report the proceeds from asset disposals as revenues when received, where as the Statement of Activities will reduce the proceeds by the book value of the assets disposed exceeding the proceeds.</p> |  |          |              |
|   | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;"></td> <td style="width: 40%; border-bottom: 1px solid black;">(262)</td> </tr> </table>           |          | (262)        |
|   | (262)  |          |              |
| Change in net position of governmental activities   | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 3px double black;"></td> <td style="width: 40%; border-bottom: 3px double black;">\$ (145,105)</td> </tr> </table>  |          | \$ (145,105) |
|   | \$ (145,105)   |          |              |

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2013**

|                                  | Business-Type<br>Activities |                                       |  | Total      |
|----------------------------------|-----------------------------|---------------------------------------|--|------------|
|                                  | Enterprise Funds            |                                       |  |            |
|                                  | Workshops                   | Technology/<br>Testing<br>Cooperative | Other<br>Nonmajor Fund-<br>Film<br>Cooperative |            |
| <b>ASSETS</b>                    |                             |                                       |  |            |
| Current assets:                  |                             |                                       |  |            |
| Cash and cash equivalents        | \$ 91,598                   | \$ 189,123                            | \$ 10,416                                      | \$ 291,137 |
| Due from other funds             | 109,694                     | -                                     | -  | 109,694    |
| Due from other governments       | 2,800                       | 5,370                                 | -  | 8,170      |
| Total current assets             | 204,092                     | 194,493                               | 10,416   | 409,001    |
| Noncurrent assets:               |                             |                                       |  |            |
| Capital assets, net              | 847                         | 4,347                                 | -  | 5,194      |
| Total assets                     | 204,939                     | 198,840                               | 10,416   | 414,195    |
| <b>LIABILITIES</b>               |                             |                                       |  |            |
| Current liabilities:             |                             |                                       |  |            |
| Accounts payable                 | 6,000                       | -                                     | -  | 6,000      |
| Due to other governments         | 229                         | -                                     | -  | 229        |
| Total liabilities                | 6,229                       | -                                     | -  | 6,229      |
| <b>NET POSITION</b>              |                             |                                       |  |            |
| Net investment in capital assets | 847                         | 4,347                                 | -  | 5,194      |
| Unrestricted                     | 197,863                     | 194,493                               | 10,416   | 402,772    |
| Total net position               | \$ 198,710                  | \$ 198,840                            | \$ 10,416                                      | \$ 407,966 |

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITON  
PROPRIETARY FUNDS  
For the year ended June 30, 2013**

|                                 | Business-Type<br>Activities |                                       |  | Total             |
|---------------------------------|-----------------------------|---------------------------------------|--|-------------------|
|                                 | Enterprise Funds            |                                       |  |                   |
|                                 | Workshops                   | Technology/<br>Testing<br>Cooperative | Other<br>Nonmajor Fund-<br>Film<br>Cooperative |                   |
| Operating revenues:             |                             |                                       |  |                   |
| Charges for services            | \$ 64,397                   | \$ 92,519                             | \$ 342   | \$ 157,258        |
| Operating expenses:             |                             |                                       |  |                   |
| Salaries and benefits           | -                           | 53,533                                | -  | 53,533            |
| Purchased services              | 49,866                      | 25,635                                | -  | 75,501            |
| Supplies and materials          | 28,229                      | 6,438                                 | -  | 34,667            |
| Depreciation                    | 282                         | 4,152                                 | -  | 4,434             |
| Total operating expenses        | 78,377                      | 89,758                                | -  | 168,135           |
| Operating income (loss)         | (13,980)                    | 2,761                                 | 342  | (10,877)          |
| Nonoperating revenues:          |                             |                                       |  |                   |
| Interest                        | 1,072                       | 1,017                                 | 54   | 2,143             |
| Change in net position          | (12,908)                    | 3,778                                 | 396  | (8,734)           |
| Net position, beginning of year | 211,618                     | 195,062                               | 10,020   | 416,700           |
| Net position, end of year       | <u>\$ 198,710</u>           | <u>\$ 198,840</u>                     | <u>\$ 10,416</u>                               | <u>\$ 407,966</u> |

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the year ended June 30, 2013**

|  | Business-Type<br>Activities |                                       |  |                   |
|--|-----------------------------|---------------------------------------|--|-------------------|
|  | Enterprise Funds            |                                       |  |                   |
|  |                             | Technology/<br>Testing<br>Cooperative | Other<br>Nonmajor Fund-<br>Film<br>Cooperative |                   |
|  | Workshops                   |                                       |  | Total             |
| Cash flows from operating activities:  |                             |                                       |  |                   |
| Collection of fees   | \$ 61,597                   | \$ 92,185                             | \$ 342   | \$ 154,124        |
| Payments to suppliers and providers of<br>goods and services   | (72,017)                    | (32,073)                              | -  | (104,090)         |
| Payments to employees  | -                           | (54,353)                              | -  | (54,353)          |
| Net cash provided (used) by operating activities   | <u>(10,420)</u>             | <u>5,759</u>                          | <u>342</u>                                     | <u>(4,319)</u>    |
| Cash flows from investing activities:  |                             |                                       |  |                   |
| Interest   | <u>1,072</u>                | <u>1,017</u>                          | <u>54</u>                                      | <u>2,143</u>      |
| Cash flows from noncapital financing activities:   |                             |                                       |  |                   |
| Loans to other funds   | <u>(109,694)</u>            | <u>-</u>                              | <u>-</u>                                       | <u>(109,694)</u>  |
| Cash flows from capital and related financing activities:  |                             |                                       |  |                   |
| Purchase of capital assets   | <u>(1,129)</u>              | <u>-</u>                              | <u>-</u>                                       | <u>(1,129)</u>    |
| Net increase (decrease) in cash<br>and cash equivalents  | (120,171)                   | 6,776                                 | 396  | (112,999)         |
| Cash and cash equivalents- beginning   | <u>211,769</u>              | <u>182,347</u>                        | <u>10,020</u>                                  | <u>404,136</u>    |
| Cash and cash equivalents- ending  | <u>\$ 91,598</u>            | <u>\$ 189,123</u>                     | <u>\$ 10,416</u>                               | <u>\$ 291,137</u> |
| Reconciliation of operating income (loss) to net<br>cash provided (used) by operating activities:        |                             |                                       |  |                   |
| Operating income (loss)  | \$ (13,980)                 | \$ 2,761                              | \$ 342   | \$ (10,877)       |
| Adjustments to reconcile operating income (loss) to<br>net cash provided (used) by operating activities: |                             |                                       |  |                   |
| Depreciation   | 282                         | 4,152                                 | -  | 4,434             |
| Increase in due from other governments   | (2,800)                     | (334)                                 | -  | (3,134)           |
| Increase (decrease) in accounts payable  | 5,849                       | -                                     | -  | 5,849             |
| Increase in due to other governments   | 229                         | -                                     | -  | 229               |
| Decrease in wages payable  | -                           | (820)                                 | -  | (820)             |
| Net cash provided (used) by operating activities   | <u>\$ (10,420)</u>          | <u>\$ 5,759</u>                       | <u>\$ 342</u>                                  | <u>\$ (4,319)</u> |

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
June 30, 2013**

|                            | <u>Distributive<br/>Fund</u> |
|----------------------------|------------------------------|
| <b>ASSETS</b>              |                              |
| Due from other governments | <u>\$ -</u>                  |
| <b>LIABILITIES</b>         |                              |
| Due to other governments   | <u>\$ -</u>                  |

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

**NOTES TO FINANCIAL STATEMENTS**

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Regional Office of Education No. 13's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

**A. Reporting Entity**

The Regional Office of Education No. 13 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Clinton, Marion, and Washington counties.

The Regional Superintendent of Schools is the chief administrative officer of the region and is elected to the position for a four-year term. The Regional Superintendent is responsible for the supervision and control of the school districts.

The Regional Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring of the safety, health and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses. The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or seeing that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report.

The Regional Office of Education No. 13 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education No. 13 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education No. 13's financial statements. In addition, the Regional Office of Education No. 13 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 13 being considered a component unit of the entity.

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from the business-type activities, which rely to a significant extent on fees and charges for support.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Government-wide and Fund Financial Statements** (Continued)

The Statement of Net Position includes all of the Regional Office of Education No. 13's assets and liabilities, including capital assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

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

Certain eliminations have been made as prescribed by governmental accounting standards 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 the proprietary fund Statement of Net Position, and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated.

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 nonmajor 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 position and changes in net position presented in the government-wide financial statements.

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become 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. The Regional Office of Education No. 13 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid expenses and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues susceptible to accrual are recognized in the current fiscal period. Those revenues include local sources, State sources, federal sources, and interest. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria or when resources are received prior to the government having legal claim to them. The revenues are subsequently recognized when both recognition criteria are met or when the government has legal claim to the resources. Revenues received after the Regional Office's availability period is reported as deferred revenue in the fund statements and is reported as current revenue in the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 13's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 13's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances, committed fund balances are used first, then assigned fund balances, then unassigned, if any.

**1. Governmental Funds**

The Regional Office of Education No. 13 reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the Regional Office of Education No. 13 and is used to account for all financial resources except those required to be accounted for and reported in another fund. This fund is available to pay general and administrative expenditures of the Regional Office of Education No. 13. Included in this fund are:

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

1. **Governmental Funds** (Continued)

**General Fund** (Continued)

**Special Projects** – This fund accounts for miscellaneous expenses and programs that benefit the school districts and/or regional office.

**Alternative Education Project** – This fund accounts for Alternative School General State Aid funding.

**Safe School Tuition** – This program accounts for tuition payments from local districts sending students to the Safe School in Centralia.

**Safe School Projects** – This program accounts for General State Aid and miscellaneous income and expenses relative to the Safe School in Centralia.

**Administrator’s Academy** - This program provides required training and continuing education of administrators.

**Conference** – This program provides for events such as Talent Search and Olympiad programs.

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

**Title II – Teacher Quality Leadership Grant** – To account for Title II Teacher Quality Leadership grant from the State which is for the purpose of implementing the purchase of the principal and/or teacher evaluation training.

**Truants Alternative/Optional Education** – This is a State-approved program leading to a high school diploma for students with truancy problems.

**Early Childhood Block Grant** - This program provides early assistance to children and parents to enhance the child’s physical, social, and cognitive skills, and assist those identified as being at risk of academic failure.

**Homeless Children/Youth** – This program provides educational services for homeless students, tutoring, clothing, school activity fees, and transportation.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**1. Governmental Funds** (Continued)

**Education Fund** (Continued)

**Regional Safe Schools** – Safe schools are alternative programs for disruptive youths in grades 6-12. Students eligible for this program must have been suspended or expelled by a local school district.

**ROE/ISC Operations** -This fund accounts for the grant that provides the funding for the Regional Office of Education.

**Special Education for Infants and Families with Disabilities** – This program is funded by the Department of Human Services to help families with children between birth and age three obtain evaluations and assessments. Individualized plans are developed to help a child learn, grow, and receive needed services.

Additionally, the Regional Office of Education No. 13 reports the following nonmajor governmental funds:

**Special Revenue Funds** - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. Included among these funds are:

**Institute** – This fund accounts for teacher certificate registration, issuance and evaluation fees for processing certificates, and expenses to promote the professional growth of teachers and school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

**General Education Development (GED)** – This fund accounts for the receipts and expenses pertaining to the GED/High School Equivalency program for high school dropouts.

**ROE School Bus Driver Training** – This fund accounts for State and local receipts and expenses designed for initial and refresher courses of instruction for school bus drivers.

**Supervisory** – This fund accounts for proceeds provided to the Regional Superintendent by the Illinois State Board of Education to be used for travel and related purposes.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**2. Proprietary Funds**

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

The Regional Office of Education No. 13 reports the following major proprietary funds:

**Workshops** – This program provides teacher workshops.

**Technology/Testing Cooperative** – This program is a local district cooperative that provides services for scoring and reporting of student achievement testing.

The Regional Office of Education No. 13 reports the following nonmajor proprietary fund:

**Film Cooperative** – This program is a Marion County schools cooperative that purchases and loans film and video materials for instructional use.

**3. Fiduciary Funds**

Fiduciary funds are used to account for assets held by the Regional Office of Education No. 13 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Distributive Fund is the Regional Office of Education No. 13's only agency fund.

The Regional Office of Education No. 13 reports the following fiduciary fund:

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**D. Assets, Liabilities, and Net Position or Equity**

**1. Deposits and Investments**

The Regional Office of Education No. 13 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of 90 days or less to be cash and cash equivalents. State regulations require that the Regional Office of Education No. 13 deposit funds under its control into accounts insured by the federal governments, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

The Regional Office of Education No. 13 does not have a formal investment policy. Statutes authorize the Regional Office of Education No. 13 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

**2. Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.”

**3. Capital assets**

Capital assets are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u>                  | <u>Years</u> |
|--------------------------------|--------------|
| Office equipment and furniture | 5-10         |
| Computer equipment             | 3-5          |
| Other equipment                | 5-20         |

In the fund financial statements, capital assets used in governmental operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Assets, Liabilities, and Net Position or Equity** (Continued)

4. **Compensated Absences**

Full-time non-certified and certified employees who work 12 calendar months earn up to 15 vacation days for a full year of service. As a matter of general practice, vacation days do not carry over from one year to the next; therefore, no liability is accrued. Certified employees who work less than 12 calendar months per year do not earn vacation days.

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 221 days for IMRF eligible employees and up to 340 days for TRS eligible employees. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay; therefore, no liability is accrued.

5. **Equity Classifications**

**Government-wide Statements**

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

**Net investment in capital assets** – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net position** – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

**Unrestricted net position** – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**Fund Statements**

Governmental fund equity is classified as fund balance. 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 fund balance that are not available to be spent, either short term or long term, in either form or through legal restrictions. There are no accounts presenting a nonspendable fund balance.

CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Assets, Liabilities, and Net Position or Equity** (Continued)

5. **Equity Classifications** (Continued)

**Fund Statements** (Continued)

**Restricted Fund Balance** – the portion of a Governmental Fund’s fund balance that are subject to external enforceable legal restrictions. The following accounts fund balances are restricted by grant agreements or contracts: Truants Alternative/Optional Education, Homeless Children/Youth, ROE/ISC Operations and Special Education for Infants and Families with Disabilities. The following funds are restricted by Illinois Statute: Institute, General Education Development, and Supervisory.

**Committed Fund Balance** – the portion of a Governmental Fund’s fund balance with self-imposed constraints or limitations that have been placed at the highest level of decision making. There are no accounts presenting a committed fund balance.

**Assigned Fund Balance** – the portion of a Governmental Fund’s fund balance to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts comprise assigned fund balance: Alternative Education Project, Safe School Tuition, Safe School Projects, Administrator’s Academy, and Conference.

**Unassigned Fund Balance** – available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the Special Projects, Early Childhood Block Grant, Regional Safe Schools, and ROE School Bus Driver Training accounts.

E. **New Accounting Pronouncements**

In 2013, the Regional Office of Education No. 13 implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The implementation of GASB Statement No. 63 changed how the statement of financial position is presented. The Regional Office of Education No. 13 will now report *net position* instead of *net assets*. The Regional Office of Education No. 13 also implemented GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*, both of which had no effect on the financial statements.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**2. BUDGETS AND BUDGETARY ACCOUNTING**

The Regional Office of Education No. 13 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education and the Illinois Department of Human Services are prepared and submitted to the granting agency as part of the grant awards process. The granting agency must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgetary Comparison Schedules have been presented for the following grants received from the Illinois State Board of Education and the Illinois Department of Human Services: Title II – Teacher Quality Leadership Grant, Truants Alternative/Optional Education, Early Childhood Block Grant, Regional Safe Schools, ROE/ISC Operations, and Special Education for Infants and Families with Disabilities.

**3. USE OF 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.

**4. INTEREST ON DISTRIBUTIVE FUND ACCOUNTS**

The Regional Office of Education No. 13 has agreements with all districts in the region whereby the Regional Office of Education No. 13 is allowed to keep the interest received on Distributive Fund receipts for expenditures benefiting all districts.

**5. DEPOSITS AND INVESTMENTS**

**A. Deposits**

At June 30, 2013, the carrying amount of the Regional Office of Education No. 13's governmental activities, business-type activities, and agency fund deposits were \$852,091, \$291,137, and \$0, respectively. The bank balances totaled \$1,213,346 all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education No. 13's name, and were, therefore, not exposed to custodial credit risk.

**B. Investments**

At June 30, 2013, the carrying amount of the Regional Office of Education No. 13's deposits in the Illinois Funds Money Market Fund for the governmental activities and fiduciary funds were \$625 and \$0, respectively. The combined bank balance invested in the Illinois Funds Money Market Fund was \$5,034. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 13's governmental activities and fiduciary funds.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**5. DEPOSITS AND INVESTMENTS** (Continued)

**Credit Risk**

At June 30, 2013, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside, independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

**Interest Rate Risk**

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

**Concentration of Credit Risk**

Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities. Further, certificates of deposit cannot exceed 10% of any single financial institution's total deposits.

**6. RISK MANAGEMENT - CLAIMS AND JUDGEMENTS**

The Regional Office of Education No. 13 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education No. 13 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

**7. CONTINGENCIES**

The Regional Office of Education No. 13 has received funding from Federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education No. 13 believes any adjustments that may arise will be insignificant to the Regional Office of Education No. 13's operations.

**8. OPERATING LEASE**

The Clinton, Marion, and Washington Counties Regional Office of Education No. 13 has entered into several annual operating leases through June 30, 2013 for the Truants Alternative/Optional Education, Regional Safe School, and Special Education for Infants and Families with Disabilities programs to provide classroom space and office space for grant programs. Rent expense for 2013 totaled \$52,800.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**9. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013 was as follows:

|  | Beginning<br>Balance | Increases         | Decreases       | Ending<br>Balance |
|--|----------------------|-------------------|-----------------|-------------------|
| <b>Governmental activities:</b>              |                      |                   |                 |                   |
| Capital assets being depreciated:            |                      |                   |                 |                   |
| Office equipment and furniture               | \$ 36,734            | \$ 2,621          | \$ (470)        | \$ 38,885         |
| Computer equipment                           | 112,727              | -                 | (6,950)         | 105,777           |
| Other equipment and leasehold improvements   | 16,961               | -                 | -               | 16,961            |
| Total capital assets being depreciated       | <u>166,422</u>       | <u>2,621</u>      | <u>(7,420)</u>  | <u>161,623</u>    |
| Less accumulated depreciation for:           |                      |                   |                 |                   |
| Office equipment and furniture               | (29,428)             | (1,668)           | 470             | (30,626)          |
| Computer equipment                           | (97,757)             | (8,745)           | 6,688           | (99,814)          |
| Other equipment and leasehold improvements   | (15,874)             | (545)             | -               | (16,419)          |
| Total accumulated depreciation               | <u>(143,059)</u>     | <u>(10,958)</u>   | <u>7,158</u>    | <u>(146,859)</u>  |
| Governmental activities capital assets, net  | <u>\$ 23,363</u>     | <u>\$ (8,337)</u> | <u>\$ (262)</u> | <u>\$ 14,764</u>  |
| <b>Business-type activities:</b>             |                      |                   |                 |                   |
| Capital assets being depreciated:            |                      |                   |                 |                   |
| Office equipment and furniture               | \$ 26,959            | \$ -              | \$ -            | \$ 26,959         |
| Computer equipment                           | 23,235               | 1,129             | -               | 24,364            |
| Other equipment and leasehold improvements   | 19,960               | -                 | -               | 19,960            |
| Total capital assets being depreciated       | <u>70,154</u>        | <u>1,129</u>      | <u>-</u>        | <u>71,283</u>     |
| Less accumulated depreciation for:           |                      |                   |                 |                   |
| Office equipment and furniture               | (24,163)             | (1,301)           | -               | (25,464)          |
| Computer equipment                           | (23,236)             | (282)             | -               | (23,518)          |
| Other equipment and leasehold improvements   | (14,256)             | (2,851)           | -               | (17,107)          |
| Total accumulated depreciation               | <u>(61,655)</u>      | <u>(4,434)</u>    | <u>-</u>        | <u>(66,089)</u>   |
| Business-type activities capital assets, net | <u>\$ 8,499</u>      | <u>\$ (3,305)</u> | <u>\$ -</u>     | <u>\$ 5,194</u>   |

Depreciation expense was charged to functions/programs of the Regional Office of Education No. 13 as follows:

|                           |                  |
|---------------------------|------------------|
| Governmental activities:  |                  |
| Instructional services    | <u>\$ 10,958</u> |
| Business-type activities: |                  |
| Instructional services    | <u>\$ 4,434</u>  |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**10. RETIREMENT FUND COMMITMENTS**

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

The Regional Office of Education No. 13 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 the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active 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, 2013 was 9.4 percent 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 percent for the years ended June 30, 2012 and 2011.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education No. 13's TRS-covered employees.

*On-Behalf Contributions to TRS* - The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 13. For the year ended June 30, 2013, State of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the Regional Office of Education No. 13 recognized revenue and expenditures of \$259,824 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012, and June 30, 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent (\$242,265) and 23.10 percent (\$105,116), respectively.

The Regional Office of Education No. 13 makes other types of employer contributions directly to TRS.

*2.2 Formula Contributions* - Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula changes. This rate is specified by statute. Contributions for the year ended June 30, 2013 were \$4,348. Contributions for the years ended June 30, 2012, and 2011 were \$4,627 and \$1,820, 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 No. 13, there is a statutory requirement for the Regional Office of Education No. 13 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.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**10. RETIREMENT FUND COMMITMENTS** (Continued)

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

For the year ended June 30, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling \$19,071 were paid from federal and special trust funds that required employer contributions of \$5,349. For the years ended June 30, 2012, and June 30, 2011, required Regional Office of Education No. 13 contributions were \$3,867 and \$9,702, respectively.

*Early Retirement Option (ERO)* – The Regional Office of Education No. 13 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

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

For the years ended June 30, 2013, June 30, 2012, and June 30, 2011, the Regional Office of Education No. 13 made no payments to TRS for employer contributions under the Early Retirement Option.

*Salary Increases Over 6 Percent and Excess Sick Leave* – If the Regional Office of Education No. 13 grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education No. 13 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the years ended June 30, 2013, June 30, 2012, and June 30, 2011, the Regional Office of Education No. 13 made no payments for employer contributions to TRS due on salary increases in excess of 6 percent.

If the Regional Office of Education No. 13 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Regional Office of Education No. 13 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the Regional Office of Education No. 13 during the four-year sick leave review period, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013).

For the years ended June 30, 2013, June 30, 2012, and June 30, 2011, the Regional Office of Education No. 13 made no payments for employer contributions to TRS for sick leave days granted in excess of the normal annual allotment.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**10. RETIREMENT FUND COMMITMENTS** (Continued)

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

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, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013.

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

**B. Illinois Municipal Retirement Fund**

*Plan Description* – The Regional Office of Education No. 13'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 No. 13'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).

*Funding Policy* – As set by statute, the Regional Office of Education No. 13's Regular plan members are required to contribute 4.50 percent 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 annual required contribution rate for calendar year 2012 was 11.93 percent. The Regional Office of Education No. 13 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.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**10. RETIREMENT FUND COMMITMENTS** (Continued)

**B. Illinois Municipal Retirement Fund** (Continued)

*Annual Pension Cost* – The required contribution for calendar year 2012 was \$139,628.

**Three-Year Trend Information for the Regular Plan**

| Fiscal Year<br>Ending | Annual<br>Pension<br>Cost (APC) | Percentage<br>of APC<br>Contributed | Net Pension<br>Obligation |
|-----------------------|---------------------------------|-------------------------------------|---------------------------|
| 12/31/2012            | \$ 139,628                      | 100%                                | \$ -                      |
| 12/31/2011            | 88,919                          | 100%                                | -                         |
| 12/31/2010            | 92,364                          | 100%                                | -                         |

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0 percent annually. The actuarial value of the Regional Office of Education No. 13’s Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20.0 percent corridor between the actuarial and market value of assets. The Regional Office of Education No. 13’s Regular plan’s unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 10 year basis.

*Funded Status and Fund Progress* – As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 85.60 percent funded. The actuarial accrued liability for benefits was \$2,175,665 and the actuarial value of assets was \$1,862,318, resulting in an underfunded actuarial accrued liability (UAAL) of \$313,347. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$1,170,396 and the ratio of the UAAL to the covered payroll was 27 percent.

The schedule of funding progress, presented as required supplementary information (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.

**C. Social Security**

Employees not qualifying for coverage under the Illinois Teachers’ Retirement System or the Illinois Municipal Retirement Fund are considered “nonparticipating employees”. These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**11. OTHER POST-EMPLOYMENT BENEFITS**

**A. Teacher Health Insurance Security Fund**

The Regional Office of Education No. 13 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 retired 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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. 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 not exceed 105 percent 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 No. 13. State contributions are intended to match contributions to THIS Fund from active members which were 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were \$6,896, and the Regional Office of Education No. 13 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2012 and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of Regional Office of Education No. 13 employees were \$7,021 and \$2,762, respectively.

*Employer contributions to THIS Fund* - The Regional Office of Education No. 13 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.69 percent for the years ended June 30, 2013 and 0.66 percent during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the Regional Office of Education No. 13 paid \$5,172 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the Regional Office of Education No. 13 paid \$5,266 and \$2,071 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2013 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**11. OTHER POST-EMPLOYMENT BENEFITS** (Continued)

**B. Other Postemployment Benefits**

The Regional Office of Education No. 13 allows employees, who retire through the Regional Office of Education No. 13's plan disclosed in Note 10B, the option to continue in the Regional Office of Education No. 13's health insurance plan as required by the Illinois Compiled Statutes, but the retiree pays the full premium for the health insurance. This has not created an implicit subsidy as defined by GASB Statement No. 45 (GASB S-45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* as the Regional Office of Education No. 13's health insurance plan is considered a community rated plan. In addition, the ROE No. 13 has no explicit subsidy as defined in GASB S-45.

**12. BOND**

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 13 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education No. 13 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

**13. INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2013, interfund receivables and payables were as follows:

| Due To (Receivable) | Due From (Payable)  | Balance at<br>June 30, 2013 |
|---------------------|---|-----------------------------|
| Proprietary Fund:   | Education Fund:   |                             |
| Workshops           | Title II- Teacher Quality Leadership Grant                      | \$ 5,630                    |
| Workshops           | Early Childhood Block Grant                                     | 5,919                       |
| Workshops           | Homeless Children/Youth   | 1,962                       |
| Workshops           | Regional Safe Schools   | 111                         |
| Workshops           | ROE/ISC Operations  | 1,334                       |
| Workshops           | Special Education for Infants and<br>Families with Disabilities | 94,484                      |
|                     |   | 109,440                     |
| Proprietary Fund:   | Special Revenue Fund:   |                             |
| Workshops           | ROE School Bus Driver Training                                  | 254                         |
|                     |   | \$ 109,694                  |

At June 30, 2013, all of the interfund balances consist of loans between individual funds within the same pooled cash account. The loans were used to cover cash shortages in these individual funds.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**14. DEFICIT FUND BALANCES**

The following individual funds carried the following deficit balances as of June 30, 2013:

|                                |           |
|--------------------------------|-----------|
| Early Childhood Block Grant    | \$ 14,022 |
| Regional Safe Schools          | \$ 9,935  |
| ROE School Bus Driver Training | \$ 254    |

The Regional Office of Education No. 13 intends to reduce these deficits by reducing expenditures in future periods.

**15. SCHEDULE OF TRANSFERS**

During the year ended June 30, 2013, interfund transfers were as follows:

| Transfers From Other Funds<br>(Transfers In)   | Transfers To Other Funds<br>(Transfers Out)                  |
|--|--|
| General Fund:<br>Alternative Education Project | Education Fund:<br>Truants Alternative/Optional<br>Education |
| <u>\$ 120,000</u>                              | <u>\$ 120,000</u>  |

The Regional Office of Education No. 13 was recording expenses for the School Breakfast and Lunch Program in the Alternative Education Project Fund and the income in the Truants Alternative/Optional Education fund. This transfer moves money out of the Truants Alternative/Optional Education fund into the Alternative Education Project Fund to cover those costs from previous years.

The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**16. DUE TO/DUE FROM OTHER GOVERNMENTS**

The Regional Office of Education No. 13's General Fund, Education Fund, Other Nonmajor Special Revenue Funds, and Enterprise Funds had funds due from/to various other governmental units which consisted of the following at June 30, 2013:

Due From Other Governments:

General Fund:

|                        |              |
|------------------------|--------------|
| Clinton County         | \$ 1,876     |
| Local School Districts | 1,345        |
|                        | <u>3,221</u> |

Education Fund:

|                                   |                |
|-----------------------------------|----------------|
| Illinois State Board of Education | 106,649        |
| Department of Human Services      | 96,451         |
| Regional Office of Education #3   | 8,152          |
|                                   | <u>211,252</u> |

Other Nonmajor Special Revenue Fund:

|                           |            |
|---------------------------|------------|
| Department of Corrections | <u>160</u> |
|---------------------------|------------|

Enterprise Funds:

|                        |              |
|------------------------|--------------|
| Local School Districts | <u>8,170</u> |
|------------------------|--------------|

\$ 222,803

Due To Other Governments:

Enterprise Funds:

|                   |               |
|-------------------|---------------|
| Kaskaskia College | <u>\$ 229</u> |
|-------------------|---------------|

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO FINANCIAL STATEMENTS**

**17. ON-BEHALF PAYMENTS**

Clinton, Marion, and Washington Counties provide the Regional Office of Education No. 13 with staff and pay certain expenditures on behalf of the Regional Office of Education No. 13. The expenditures paid on the Regional Office of Education No. 13's behalf for the year ended June 30, 2013, were as follows:

|                        |                   |
|------------------------|-------------------|
| Salaries and benefits  | \$ 149,596        |
| Purchased services     | 21,381            |
| Supplies and materials | 12,174            |
| Equipment              | <u>850</u>        |
|                        | <u>\$ 184,001</u> |

The on-behalf payments are reflected as revenues and expenditures of the General Fund.

The Regional Office of Education No. 13 also received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

|   |                   |
|---|-------------------|
| Regional Superintendent-salary  | \$ 103,032        |
| Regional Superintendent-benefits<br>(includes State paid insurance)           | 29,952            |
| Assistant Regional Superintendent-salary                                      | 92,736            |
| Assistant Regional Superintendent-benefits<br>(includes State paid insurance) | 23,698            |
| TRS pension contributions   | 259,824           |
| THIS post-employment benefit contributions                                    | <u>6,896</u>      |
|   | <u>\$ 516,138</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.

The on-behalf payments are reflected as revenues and expenditures of the General Fund.

**18. SUBSEQUENT EVENTS**

On November 22, 2013 the Illinois State Board of Education adopted a motion pursuant to its obligation under 105 ILCS 5/3A-4(a), which recognizes consolidations agreed to via county board resolutions prior to June 30, 2013. Effective July 1, 2015, Jefferson County will be included in the Regional Office of Education No. 13.

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

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF FUNDING PROGRESS  
UNAUDITED  
June 30, 2013**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability (AAL)<br>Entry Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b - a) | Funded<br>Ratio<br>(a / b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>[(b - a) / c] |
|--------------------------------|--|---|--------------------------------------|----------------------------|---------------------------|--|
| 12/31/2012                     | \$ 1,862,318                           | \$ 2,175,665  | \$ 313,347                           | 85.60 %                    | \$ 1,170,396              | 26.77 %  |
| 12/31/2011                     | 1,617,159                              | 1,920,909   | 303,750                              | 84.19 %                    | 760,642                   | 39.93 %  |
| 12/31/2010                     | 1,644,343                              | 1,872,175   | 227,832                              | 87.83 %                    | 823,942                   | 27.65 %  |

On a market value basis the actuarial value of assets as of December 31, 2012 was \$1,918,708. On a market basis, the funded ratio would be 88.19 percent.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Clinton-Marion-Washington Regional Office of Education No. 13. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100 percent funded.

**SUPPLEMENTAL INFORMATION**

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2013**

|                                      | Special<br>Projects | Alternative<br>Education<br>Project | Safe School<br>Tuition | Safe School<br>Projects |
|--------------------------------------|---------------------|-------------------------------------|------------------------|-------------------------|
| <b>ASSETS</b>                        |                     |                                     |                        |                         |
| Cash and cash equivalents            | \$ 51,522           | \$ 311,873                          | \$ 146,136             | \$ 174,632              |
| Due from other governments           | 1,593               | 283                                 | 1,345                  | -                       |
| Total assets                         | \$ 53,115           | \$ 312,156                          | \$ 147,481             | \$ 174,632              |
| <b>LIABILITIES AND FUND BALANCES</b> |                     |                                     |                        |                         |
| <b>LIABILITIES</b>                   |                     |                                     |                        |                         |
| Salaries and benefits payable        | \$ -                | \$ 10,979                           | \$ 2,266               | \$ 11,715               |
| <b>FUND BALANCES</b>                 |                     |                                     |                        |                         |
| Assigned                             | -                   | 301,177                             | 145,215                | 162,917                 |
| Unassigned                           | 53,115              | -                                   | -                      | -                       |
| Total fund balances                  | 53,115              | 301,177                             | 145,215                | 162,917                 |
| Total liabilities and fund balances  | \$ 53,115           | \$ 312,156                          | \$ 147,481             | \$ 174,632              |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
GENERAL FUND  
June 30, 2013**

|                                      | Administrator's<br><u>Academy</u> | <u>Conference</u>      | <u>Total</u>             |
|--------------------------------------|-----------------------------------|------------------------|--------------------------|
| <b>ASSETS</b>                        |                                   |                        |                          |
| Cash and cash equivalents            | \$ 16,373                         | \$ 8,180               | \$ 708,716               |
| Due from other governments           | <u>-</u>                          | <u>-</u>               | <u>3,221</u>             |
| Total assets                         | <u><u>\$ 16,373</u></u>           | <u><u>\$ 8,180</u></u> | <u><u>\$ 711,937</u></u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                                   |                        |                          |
| <b>LIABILITIES</b>                   |                                   |                        |                          |
| Salaries and benefits payable        | <u>\$ -</u>                       | <u>\$ -</u>            | <u>\$ 24,960</u>         |
| <b>FUND BALANCES</b>                 |                                   |                        |                          |
| Assigned                             | 16,373                            | 8,180                  | 633,862                  |
| Unassigned                           | <u>-</u>                          | <u>-</u>               | <u>53,115</u>            |
| Total fund balances                  | <u>16,373</u>                     | <u>8,180</u>           | <u>686,977</u>           |
| Total liabilities and fund balances  | <u><u>\$ 16,373</u></u>           | <u><u>\$ 8,180</u></u> | <u><u>\$ 711,937</u></u> |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
For the year ended June 30, 2013**

|  | <u>Special Projects</u> | <u>Alternative<br/>Education<br/>Project</u> | <u>Safe School<br/>Tuition</u> | <u>Safe School<br/>Projects</u> |
|--|-------------------------|--|--------------------------------|---------------------------------|
| <b>Revenues:</b>   |                         |  |                                |                                 |
| Local sources  | \$ 29,081               | \$ 5,998                                     | \$ 77,345                      | \$ 345                          |
| State sources  | -                       | 96,795                                       | -                              | 112,127                         |
| On-behalf payments - local                                   | 184,001                 | -  | -                              | -                               |
| On-behalf payments - state                                   | 516,138                 | -  | -                              | -                               |
| Interest   | 519                     | 1,241  | 612                            | 1,135                           |
|  | <u>729,739</u>          | <u>104,034</u>                               | <u>77,957</u>                  | <u>113,607</u>                  |
| <b>Total revenues</b>  |                         |  |                                |                                 |
| <b>Expenditures:</b>   |                         |  |                                |                                 |
| Salaries and benefits  | 13,110                  | 126,534                                      | 36,220                         | 140,248                         |
| Purchased services   | 11,649                  | 57,232                                       | 2,515                          | 52,415                          |
| Supplies and materials                                       | 3,494                   | 9,695  | -                              | 8,605                           |
| Other objects  | 799                     | -  | -                              | -                               |
| On-behalf payments - local                                   | 184,001                 | -  | -                              | -                               |
| On-behalf payments - state                                   | 516,138                 | -  | -                              | -                               |
|  | <u>729,191</u>          | <u>193,461</u>                               | <u>38,735</u>                  | <u>201,268</u>                  |
| <b>Total expenditures</b>                                    |                         |  |                                |                                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>548</u>              | <u>(89,427)</u>                              | <u>39,222</u>                  | <u>(87,661)</u>                 |
| <b>Other financing sources:</b>                              |                         |  |                                |                                 |
| Transfers in   | <u>-</u>                | <u>120,000</u>                               | <u>-</u>                       | <u>-</u>                        |
| <b>Total other financing sources</b>                         |                         |  |                                |                                 |
|  | <u>-</u>                | <u>120,000</u>                               | <u>-</u>                       | <u>-</u>                        |
| <b>Net change in fund balances</b>                           |                         |  |                                |                                 |
|  | 548                     | 30,573                                       | 39,222                         | (87,661)                        |
| Fund balances, beginning of year                             | <u>52,567</u>           | <u>270,604</u>                               | <u>105,993</u>                 | <u>250,578</u>                  |
| Fund balances, end of year                                   | <u>\$ 53,115</u>        | <u>\$ 301,177</u>                            | <u>\$ 145,215</u>              | <u>\$ 162,917</u>               |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (Continued)  
GENERAL FUND ACCOUNTS  
For the year ended June 30, 2013**

|  | Administrator's<br>Academy | Conference      | Total             |
|--|----------------------------|-----------------|-------------------|
| <b>Revenues:</b>   |                            |                 |                   |
| Local sources  | \$ 7,975                   | \$ 9,250        | \$ 129,994        |
| State sources  | -                          | -               | 208,922           |
| On-behalf payments - local                                   | -                          | -               | 184,001           |
| On-behalf payments - state                                   | -                          | -               | 516,138           |
| Interest   | 82                         | 41              | 3,630             |
|  | <u>8,057</u>               | <u>9,291</u>    | <u>1,042,685</u>  |
| <b>Total revenues</b>  |                            |                 |                   |
| <b>Expenditures:</b>   |                            |                 |                   |
| Salaries and benefits  | -                          | -               | 316,112           |
| Purchased services   | 6,533                      | 7,485           | 137,829           |
| Supplies and materials                                       | 2,689                      | -               | 24,483            |
| Other objects  | -                          | -               | 799               |
| On-behalf payments - local                                   | -                          | -               | 184,001           |
| On-behalf payments - state                                   | -                          | -               | 516,138           |
|  | <u>9,222</u>               | <u>7,485</u>    | <u>1,179,362</u>  |
| <b>Total expenditures</b>                                    |                            |                 |                   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(1,165)</u>             | <u>1,806</u>    | <u>(136,677)</u>  |
| <b>Other financing sources:</b>                              |                            |                 |                   |
| Transfers in   | -                          | -               | 120,000           |
|  | <u>-</u>                   | <u>-</u>        | <u>120,000</u>    |
| <b>Total other financing sources</b>                         |                            |                 |                   |
| Net change in fund balances                                  | (1,165)                    | 1,806           | (16,677)          |
| Fund balances, beginning of year                             | <u>17,538</u>              | <u>6,374</u>    | <u>703,654</u>    |
| Fund balances, end of year                                   | <u>\$ 16,373</u>           | <u>\$ 8,180</u> | <u>\$ 686,977</u> |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2013**

|                                      | <u>Title II -<br/>Teacher Quality<br/>Leadership Grant</u> | <u>Truants<br/>Alternative/<br/>Optional<br/>Education</u> | <u>Early Childhood<br/>Block Grant</u> | <u>Homeless<br/>Children/Youth</u> |
|--------------------------------------|--|--|--|------------------------------------|
| <b>ASSETS</b>                        |  |  |  |                                    |
| Cash and cash equivalents            | \$ -   | \$ 55,570  | \$ -                                   | \$ -                               |
| Accounts receivable                  | -  | 49   | -                                      | -                                  |
| Due from other governments           | 5,630  | 8,152  | 90,961                                 | 8,153                              |
|                                      | <u>5,630</u>   | <u>8,152</u>   | <u>90,961</u>                          | <u>8,153</u>                       |
| Total assets                         | <u>\$ 5,630</u>  | <u>\$ 63,771</u>   | <u>\$ 90,961</u>                       | <u>\$ 8,153</u>                    |
| <b>LIABILITIES AND FUND BALANCES</b> |  |  |  |                                    |
| <b>LIABILITIES</b>                   |  |  |  |                                    |
| Accounts payable                     | \$ -   | \$ -   | \$ 2,000                               | \$ -                               |
| Salaries and benefits payable        | -  | 19,372   | 97,064                                 | -                                  |
| Due to other funds                   | 5,630  | -  | 5,919                                  | 1,962                              |
|                                      | <u>5,630</u>   | <u>-</u>   | <u>5,919</u>                           | <u>1,962</u>                       |
| Total liabilities                    | <u>5,630</u>   | <u>19,372</u>  | <u>104,983</u>                         | <u>1,962</u>                       |
| <b>FUND BALANCES (DEFICITS)</b>      |  |  |  |                                    |
| Restricted                           | -  | 44,399   | -                                      | 6,191                              |
| Unassigned                           | -  | -  | (14,022)                               | -                                  |
|                                      | <u>-</u>   | <u>-</u>   | <u>(14,022)</u>                        | <u>-</u>                           |
| Total fund balances (deficits)       | <u>-</u>   | <u>44,399</u>  | <u>(14,022)</u>                        | <u>6,191</u>                       |
| Total liabilities and fund balances  | <u>\$ 5,630</u>  | <u>\$ 63,771</u>   | <u>\$ 90,961</u>                       | <u>\$ 8,153</u>                    |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
EDUCATION FUND  
June 30, 2013**

|                                      | <u>Regional<br/>Safe<br/>Schools</u> | <u>ROE/ISC<br/>Operations</u> | <u>Special Education<br/>for Infants and<br/>Families with<br/>Disabilities</u> | <u>Total</u>      |
|--------------------------------------|--------------------------------------|-------------------------------|---|-------------------|
| <b>ASSETS</b>                        |                                      |                               |   |                   |
| Cash and cash equivalents            | \$ -                                 | \$ -                          | \$ -  | \$ 55,570         |
| Accounts receivable                  | 25                                   | -                             | -   | 74                |
| Due from other governments           | -                                    | 1,905                         | 96,451  | 211,252           |
|                                      | <u>-</u>                             | <u>1,905</u>                  | <u>96,451</u>   | <u>211,252</u>    |
| Total assets                         | <u>\$ 25</u>                         | <u>\$ 1,905</u>               | <u>\$ 96,451</u>  | <u>\$ 266,896</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                                      |                               |   |                   |
| <b>LIABILITIES</b>                   |                                      |                               |   |                   |
| Accounts payable                     | \$ -                                 | \$ -                          | \$ -  | \$ 2,000          |
| Salaries and benefits payable        | 9,849                                | -                             | -   | 126,285           |
| Due to other funds                   | 111                                  | 1,334                         | 94,484  | 109,440           |
|                                      | <u>111</u>                           | <u>1,334</u>                  | <u>94,484</u>   | <u>109,440</u>    |
| Total liabilities                    | <u>9,960</u>                         | <u>1,334</u>                  | <u>94,484</u>   | <u>237,725</u>    |
| <b>FUND BALANCES (DEFICITS)</b>      |                                      |                               |   |                   |
| Restricted                           | -                                    | 571                           | 1,967   | 53,128            |
| Unassigned                           | (9,935)                              | -                             | -   | (23,957)          |
|                                      | <u>(9,935)</u>                       | <u>-</u>                      | <u>-</u>  | <u>(23,957)</u>   |
| Total fund balances (deficits)       | <u>(9,935)</u>                       | <u>571</u>                    | <u>1,967</u>  | <u>29,171</u>     |
| Total liabilities and fund balances  | <u>\$ 25</u>                         | <u>\$ 1,905</u>               | <u>\$ 96,451</u>  | <u>\$ 266,896</u> |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the year ended June 30, 2013**

|  | Title II -<br>Teacher Quality<br>Leadership Grant | Truants<br>Alternative/<br>Optional<br>Education | Early Childhood<br>Block Grant | Homeless<br>Children/Youth |
|--|---|--|--------------------------------|----------------------------|
| <b>Revenues:</b>   |   |  |                                |                            |
| Local sources  | \$ -  | \$ 885   | \$ 129                         | \$ 182                     |
| State sources  | -   | 153,622  | 917,625                        | -                          |
| Federal sources  | 5,630   | 19,166   | -                              | 32,964                     |
| Interest   | -   | 734  | 1                              | 17                         |
| <b>Total revenues</b>  | <b>5,630</b>                                      | <b>174,407</b>                                   | <b>917,755</b>                 | <b>33,163</b>              |
| <b>Expenditures:</b>   |   |  |                                |                            |
| Salaries and benefits  | -   | 121,410  | 741,581                        | 10,472                     |
| Purchased services   | 5,500   | 680  | 65,128                         | 5,660                      |
| Supplies and materials                                       | 130   | 1,139  | 92,636                         | 10,737                     |
| Capital outlay   | -   | -  | 1,571                          | 200                        |
| Payments to other governments                                | -   | -  | 8,758                          | -                          |
| <b>Total expenditures</b>                                    | <b>5,630</b>                                      | <b>123,229</b>                                   | <b>909,674</b>                 | <b>27,069</b>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | -   | 51,178   | 8,081                          | 6,094                      |
| <b>Other financing uses:</b>                                 |   |  |                                |                            |
| Transfers out  | -   | (120,000)  | -                              | -                          |
| <b>Total other financing uses</b>                            | <b>-</b>  | <b>(120,000)</b>                                 | <b>-</b>                       | <b>-</b>                   |
| Net change in fund balances                                  | -   | (68,822)   | 8,081                          | 6,094                      |
| Fund balances (deficits),<br>beginning of year               | -   | 113,221  | (22,103)                       | 97                         |
| Fund balances (deficits), end of year                        | \$ -  | \$ 44,399  | \$ (14,022)                    | \$ 6,191                   |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (Continued)  
EDUCATION FUND ACCOUNTS  
For the year ended June 30, 2013**

|  | Regional<br>Safe<br>Schools | ROE/ISC<br>Operations | Special Education<br>for Infants and<br>Families with<br>Disabilities | Total            |
|--|-----------------------------|-----------------------|---|------------------|
| <b>Revenues:</b>   |                             |                       |   |                  |
| Local sources  | \$ 309                      | \$ -                  | \$ 730  | \$ 2,235         |
| State sources  | 81,690                      | 28,276                | 1,256,708   | 2,437,921        |
| Federal sources  | -                           | -                     | 476,522   | 534,282          |
| Interest   | -                           | 1                     | -   | 753              |
| <b>Total revenues</b>  | <b>81,999</b>               | <b>28,277</b>         | <b>1,733,960</b>  | <b>2,975,191</b> |
| <b>Expenditures:</b>   |                             |                       |   |                  |
| Salaries and benefits  | 66,106                      | 27,426                | 1,366,651   | 2,333,646        |
| Purchased services   | -                           | -                     | 339,137   | 416,105          |
| Supplies and materials                                       | -                           | -                     | 27,312  | 131,954          |
| Capital outlay   | -                           | 850                   | -   | 2,621            |
| Payments to other governments                                | -                           | -                     | -   | 8,758            |
| <b>Total expenditures</b>                                    | <b>66,106</b>               | <b>28,276</b>         | <b>1,733,100</b>  | <b>2,893,084</b> |
| Excess (deficiency) of revenues<br>over (under) expenditures | 15,893                      | 1                     | 860   | 82,107           |
| <b>Other financing uses:</b>                                 |                             |                       |   |                  |
| Transfers out  | -                           | -                     | -   | (120,000)        |
| <b>Total other financing uses</b>                            | <b>-</b>                    | <b>-</b>              | <b>-</b>  | <b>(120,000)</b> |
| <b>Net change in fund balances</b>                           | <b>15,893</b>               | <b>1</b>              | <b>860</b>  | <b>(37,893)</b>  |
| Fund balances (deficits),<br>beginning of year               | (25,828)                    | 570                   | 1,107   | 67,064           |
| <b>Fund balances (deficits), end of year</b>                 | <b>\$ (9,935)</b>           | <b>\$ 571</b>         | <b>\$ 1,967</b>   | <b>\$ 29,171</b> |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TITLE II - TEACHER QUALITY LEADERSHIP GRANT #13-4935-02  
For the year ended June 30, 2013**

|                                      | <u>Budgeted Amounts</u> |                    | <u>Actual</u>      |
|--------------------------------------|-------------------------|--------------------|--------------------|
|                                      | <u>Original</u>         | <u>Final</u>       | <u>Amounts</u>     |
| Revenues:                            |                         |                    |                    |
| Federal sources                      | <u>\$ 5,630</u>         | <u>\$ 5,630</u>    | <u>\$ 5,630</u>    |
| Expenditures:                        |                         |                    |                    |
| Purchased services                   | 5,500                   | 5,500              | 5,500              |
| Supplies and materials               | <u>130</u>              | <u>130</u>         | <u>130</u>         |
| Total expenditures                   | <u>5,630</u>            | <u>5,630</u>       | <u>5,630</u>       |
| Excess of revenues over expenditures | <u><u>\$ -</u></u>      | <u><u>\$ -</u></u> | <u>\$ -</u>        |
| Fund balance, beginning of year      |                         |                    | <u>-</u>           |
| Fund balance, end of year            |                         |                    | <u><u>\$ -</u></u> |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION #12-3695-11  
For the year ended June 30, 2013**

|                                      | Budgeted Amounts |                | Actual<br>Amounts |
|--------------------------------------|------------------|----------------|-------------------|
|                                      | Original         | Final          |                   |
| <b>Revenues:</b>                     |                  |                |                   |
| State sources                        | \$ 137,638       | \$ 137,638     | \$ 30,016         |
| Interest                             | -                | -              | 70                |
|                                      | <u>137,638</u>   | <u>137,638</u> | <u>30,086</u>     |
| <b>Total revenues</b>                |                  |                |                   |
|                                      | <u>137,638</u>   | <u>137,638</u> | <u>30,086</u>     |
| <b>Expenditures:</b>                 |                  |                |                   |
| Salaries and benefits                | 104,620          | 103,444        | -                 |
| Purchased services                   | 18,875           | 27,184         | -                 |
| Supplies and materials               | 8,143            | 3,126          | -                 |
| Payments to other governments        | 6,000            | 3,884          | -                 |
|                                      | <u>137,638</u>   | <u>137,638</u> | <u>-</u>          |
| <b>Total expenditures</b>            |                  |                |                   |
|                                      | <u>137,638</u>   | <u>137,638</u> | <u>-</u>          |
| Excess of revenues over expenditures | <u>\$ -</u>      | <u>\$ -</u>    | 30,086            |
| Fund balance, beginning of year      |                  |                | <u>113,221</u>    |
| Fund balance, July 1, 2012           |                  |                | <u>\$ 143,307</u> |

Note: Actual column also includes State Free Lunch and Breakfast revenue (Project 12-3360-00) of \$40.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION #13-3695-11  
For the year ended June 30, 2013**

|                                      | Budgeted Amounts |         | Actual<br>Amounts |
|--------------------------------------|------------------|---------|-------------------|
|                                      | Original         | Final   |                   |
| Revenues:                            |                  |         |                   |
| Local sources                        | \$ -             | \$ -    | \$ 885            |
| State sources                        | 123,234          | 123,234 | 123,606           |
| Federal sources                      | -                | -       | 19,166            |
| Interest                             | -                | -       | 664               |
|                                      | 123,234          | 123,234 | 144,321           |
| Total revenues                       |                  |         |                   |
| Expenditures:                        |                  |         |                   |
| Salaries and benefits                | 123,234          | 121,352 | 121,410           |
| Purchased services                   | -                | 965     | 680               |
| Supplies and materials               | -                | 917     | 1,139             |
|                                      | 123,234          | 123,234 | 123,229           |
| Total expenditures                   |                  |         |                   |
| Excess of revenues over expenditures | \$ -             | \$ -    | 21,092            |
| Other financing uses:                |                  |         |                   |
| Transfer out                         |                  |         | (120,000)         |
| Net change in fund balance           |                  |         | (98,908)          |
| Fund balance, July 1, 2012           |                  |         | 143,307           |
| Fund balance, end of year            |                  |         | \$ 44,399         |

Note: Actual column also includes National School Lunch Program revenue (\$11,571 from Project 13-4210-00 and \$1,508 from Project 12-4210-00), School Breakfast Program revenue (\$5,398 from Project 13-4220-00 and \$689 from Project 12-4220-00), and State Free Lunch and Breakfast revenue (Project 13-3360-00) of \$372.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
EARLY CHILDHOOD - BLOCK GRANT #12-3705-00  
For the year ended June 30, 2013**

|   | Budgeted Amounts |            | Actual<br>Amounts |
|---|------------------|------------|-------------------|
|   | Original         | Final      |                   |
| Revenues:                                 |                  |            |                   |
| State sources                             | \$ 960,000       | \$ 960,000 | \$ 133,026        |
| Expenditures:                             |                  |            |                   |
| Salaries and benefits                     | 820,566          | 730,647    | 9,654             |
| Purchased services                        | 81,700           | 76,613     | 3,870             |
| Supplies and materials                    | 30,234           | 132,341    | 53,630            |
| Capital outlay                            | 20,000           | 11,028     | 922               |
| Payments to other governments             | 7,500            | 9,371      | -                 |
| Total expenditures                        | 960,000          | 960,000    | 68,076            |
| Excess of revenues over<br>expenditures   | \$ -             | \$ -       | 64,950            |
| Fund balance (deficit), beginning of year |                  |            | (22,103)          |
| Fund balance, July 1, 2012                |                  |            | \$ 42,847         |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
EARLY CHILDHOOD - BLOCK GRANT #13-3705-00  
For the year ended June 30, 2013**

|  | Budgeted Amounts |         | Actual<br>Amounts |
|--|------------------|---------|-------------------|
|  | Original         | Final   |                   |
| Revenues:                                    |                  |         |                   |
| Local sources                                | \$ -             | \$ -    | \$ 129            |
| State sources                                | 882,816          | 882,816 | 784,599           |
| Interest                                     | -                | -       | 1                 |
|  | 882,816          | 882,816 | 784,729           |
| Total revenues                               |                  |         |                   |
| Expenditures:                                |                  |         |                   |
| Salaries and benefits                        | 762,839          | 750,622 | 731,927           |
| Purchased services                           | 59,690           | 65,261  | 61,258            |
| Supplies and materials                       | 52,287           | 55,066  | 39,006            |
| Capital outlay                               | -                | 3,109   | 649               |
| Payments to other governments                | 8,000            | 8,758   | 8,758             |
|  | 882,816          | 882,816 | 841,598           |
| Total expenditures                           |                  |         |                   |
| Deficiency of revenues under<br>expenditures | \$ -             | \$ -    | (56,869)          |
| Fund balance, July 1, 2012                   |                  |         | 42,847            |
| Fund balance (deficit), end of year          |                  |         | \$ (14,022)       |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS #12-3696-00  
For the year ended June 30, 2013**

|   | Budgeted Amounts |        | Actual<br>Amounts |
|---|------------------|--------|-------------------|
|   | Original         | Final  |                   |
| Revenues:                                 |                  |        |                   |
| Local sources                             | \$ -             | \$ -   | \$ 204            |
| State sources                             | 85,023           | 85,023 | 16,182            |
| Total revenues                            | 85,023           | 85,023 | 16,386            |
| Expenditures:                             |                  |        |                   |
| Salaries and benefits                     | 64,522           | 62,704 | -                 |
| Purchased services                        | 15,225           | 15,225 | -                 |
| Supplies and materials                    | 276              | 2,094  | -                 |
| Payments to other governments             | 5,000            | 5,000  | -                 |
| Total expenditures                        | 85,023           | 85,023 | -                 |
| Excess of revenues over<br>expenditures   | \$ -             | \$ -   | 16,386            |
| Fund balance (deficit), beginning of year |                  |        | (25,828)          |
| Fund balance (deficit), July 1, 2012      |                  |        | \$ (9,442)        |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS #13-3696-00  
For the year ended June 30, 2013**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual</u>            |
|---|-------------------------|--------------------|--------------------------|
|   | <u>Original</u>         | <u>Final</u>       | <u>Amounts</u>           |
| Revenues:                                 |                         |                    |                          |
| Local sources                             | \$ -                    | \$ -               | \$ 105                   |
| State sources                             | <u>65,508</u>           | <u>65,508</u>      | <u>65,508</u>            |
| Total revenues                            | <u>65,508</u>           | <u>65,508</u>      | <u>65,613</u>            |
| Expenditures:                             |                         |                    |                          |
| Salaries and benefits                     | <u>65,508</u>           | <u>65,508</u>      | <u>66,106</u>            |
| Deficiency of revenues under expenditures | <u><u>\$ -</u></u>      | <u><u>\$ -</u></u> | (493)                    |
| Fund balance (deficit), July 1, 2012      |                         |                    | <u>(9,442)</u>           |
| Fund balance (deficit), end of year       |                         |                    | <u><u>\$ (9,935)</u></u> |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ROE/ISC OPERATIONS - PROJECT #13-3730-00  
For the year ended June 30, 2013**

|                                      | <u>Budgeted Amounts</u> |               | <u>Actual</u>  |
|--------------------------------------|-------------------------|---------------|----------------|
|                                      | <u>Original</u>         | <u>Final</u>  | <u>Amounts</u> |
| Revenues:                            |                         |               |                |
| State sources                        | \$ 28,276               | \$ 28,276     | \$ 28,276      |
| Interest                             | -                       | -             | 1              |
|                                      | <u>28,276</u>           | <u>28,276</u> | <u>28,277</u>  |
| Total revenues                       |                         |               |                |
| Expenditures:                        |                         |               |                |
| Salaries and benefits                | 27,315                  | 27,512        | 27,426         |
| Supplies and materials               | 961                     | 764           | -              |
| Capital outlay                       | -                       | -             | 850            |
|                                      | <u>28,276</u>           | <u>28,276</u> | <u>28,276</u>  |
| Total expenditures                   |                         |               |                |
| Excess of revenues over expenditures | <u>\$ -</u>             | <u>\$ -</u>   | 1              |
| Fund balance, July 1, 2012           |                         |               | <u>570</u>     |
| Fund balance, end of year            |                         |               | <u>\$ 571</u>  |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
SPECIAL EDUCATION FOR INFANTS AND  
FAMILIES WITH DISABILITIES - PROJECT #FCSR000917  
For the year ended June 30, 2013**

|                                      | Budgeted Amounts |                  | Actual<br>Amounts |
|--------------------------------------|------------------|------------------|-------------------|
|                                      | Original         | Final            |                   |
| Revenues:                            |                  |                  |                   |
| Local sources                        | \$ -             | \$ -             | \$ 730            |
| State sources                        | 1,670,483        | 1,670,483        | 1,256,708         |
| Federal sources                      | -                | -                | 476,522           |
|                                      | <u>1,670,483</u> | <u>1,670,483</u> | <u>1,733,960</u>  |
| Expenditures:                        |                  |                  |                   |
| Salaries and benefits                | 1,207,791        | 1,207,791        | 1,366,651         |
| Purchased services                   | 434,192          | 434,192          | 339,137           |
| Supplies and materials               | 18,600           | 18,600           | 27,312            |
| Capital outlay                       | 9,900            | 9,900            | -                 |
|                                      | <u>1,670,483</u> | <u>1,670,483</u> | <u>1,733,100</u>  |
| Excess of revenues over expenditures | <u>\$ -</u>      | <u>\$ -</u>      | <u>860</u>        |
| Fund balance, beginning of year      |                  |                  | <u>1,107</u>      |
| Fund balance, end of year            |                  |                  | <u>\$ 1,967</u>   |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2013**

|                                      | Institute        | General<br>Education<br>Development | ROE School<br>Bus Driver<br>Training |
|--------------------------------------|------------------|-------------------------------------|--------------------------------------|
| <b>ASSETS</b>                        |                  |                                     |                                      |
| Cash and cash equivalents            | \$ 69,461        | \$ 16,150                           | \$ -                                 |
| Due from other governments           | -                | 160                                 | -                                    |
|                                      | <u>\$ 69,461</u> | <u>\$ 16,310</u>                    | <u>\$ -</u>                          |
| <b>LIABILITIES AND FUND BALANCES</b> |                  |                                     |                                      |
| <b>LIABILITIES</b>                   |                  |                                     |                                      |
| Due to other funds                   | \$ -             | \$ -                                | \$ 254                               |
| <b>FUND BALANCES</b>                 |                  |                                     |                                      |
| Restricted                           | 69,461           | 16,310                              | -                                    |
| Unassigned                           | -                | -                                   | (254)                                |
|                                      | <u>69,461</u>    | <u>16,310</u>                       | <u>(254)</u>                         |
| Total fund balances (deficits)       | <u>69,461</u>    | <u>16,310</u>                       | <u>(254)</u>                         |
| Total liabilities and fund balances  | <u>\$ 69,461</u> | <u>\$ 16,310</u>                    | <u>\$ -</u>                          |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2013**

|                                      | Supervisory | Total     |
|--------------------------------------|-------------|-----------|
| <b>ASSETS</b>                        |             |           |
| Cash and cash equivalents            | \$ 2,819    | \$ 88,430 |
| Due from other governments           | -           | 160       |
|                                      |             |           |
| Total assets                         | \$ 2,819    | \$ 88,590 |
| <b>LIABILITIES AND FUND BALANCES</b> |             |           |
| <b>LIABILITIES</b>                   |             |           |
| Due to other funds                   | \$ -        | \$ 254    |
| <b>FUND BALANCES</b>                 |             |           |
| Restricted                           | 2,819       | 88,590    |
| Unassigned                           | -           | (254)     |
|                                      |             |           |
| Total fund balances (deficits)       | 2,819       | 88,336    |
| Total liabilities and fund balances  | \$ 2,819    | \$ 88,590 |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the year ended June 30, 2013**

|  | <u>Institute</u>        | <u>General<br/>Education<br/>Development</u> | <u>ROE School<br/>Bus Driver<br/>Training</u> |
|--|-------------------------|--|---|
| <b>Revenues:</b>   |                         |  |   |
| Local sources  | \$ 32,115               | \$ 13,125                                    | \$ 2,552                                      |
| State sources  | -                       | -  | 1,009   |
| Interest   | 350                     | 77   | 2   |
| <b>Total revenues</b>  | <u>32,465</u>           | <u>13,202</u>                                | <u>3,563</u>                                  |
| <b>Expenditures:</b>   |                         |  |   |
| Salaries and benefits  | 30,898                  | 1,164  | 1,835   |
| Purchased services   | 12,616                  | 5,457  | 2,297   |
| Supplies and materials                                       | 7,884                   | 4,106  | 258   |
| <b>Total expenditures</b>                                    | <u>51,398</u>           | <u>10,727</u>                                | <u>4,390</u>                                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | (18,933)                | 2,475  | (827)   |
| Fund balances, beginning of year                             | <u>88,394</u>           | <u>13,835</u>                                | <u>573</u>                                    |
| Fund balances (deficits), end of year                        | <u><u>\$ 69,461</u></u> | <u><u>\$ 16,310</u></u>                      | <u><u>\$ (254)</u></u>                        |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
For the year ended June 30, 2013**

|  | Supervisory | Total     |
|--|-------------|-----------|
| Revenues:  |             |           |
| Local sources  | \$ 324      | \$ 48,116 |
| State sources  | -           | 1,009     |
| Interest   | 15          | 444       |
|  | 339         | 49,569    |
| Total revenues   | 339         | 49,569    |
| Expenditures:  |             |           |
| Salaries and benefits  | -           | 33,897    |
| Purchased services   | -           | 20,370    |
| Supplies and materials                                       | -           | 12,248    |
|  | -           | 66,515    |
| Total expenditures   | -           | 66,515    |
| Excess (deficiency) of revenues<br>over (under) expenditures | 339         | (16,946)  |
| Fund balances, beginning of year                             | 2,480       | 105,282   |
| Fund balances (deficits), end of year                        | \$ 2,819    | \$ 88,336 |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
For the year ended June 30, 2013**

|                                 | <u>Balance<br/>July 01, 2012</u> | <u>Additions</u>     | <u>Deductions</u>    | <u>Balance<br/>June 30, 2013</u> |
|---------------------------------|----------------------------------|----------------------|----------------------|----------------------------------|
| <b><u>DISTRIBUTIVE FUND</u></b> |                                  |                      |                      |                                  |
| <b>ASSETS</b>                   |                                  |                      |                      |                                  |
| Cash and cash equivalents       | \$ -                             | \$ 29,615,433        | \$ 29,615,433        | \$ -                             |
| Due from other governments      | <u>5,054,729</u>                 | <u>-</u>             | <u>5,054,729</u>     | <u>-</u>                         |
| Total assets                    | <u>\$ 5,054,729</u>              | <u>\$ 29,615,433</u> | <u>\$ 34,670,162</u> | <u>\$ -</u>                      |
| <b>LIABILITIES</b>              |                                  |                      |                      |                                  |
| Due to other governments        | <u>\$ 5,054,729</u>              | <u>\$ 29,615,433</u> | <u>\$ 34,670,162</u> | <u>\$ -</u>                      |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES  
DISTRIBUTIVE FUND  
For the year ended June 30, 2013**

|                                      | Carlyle<br>Community<br>Unit #1 | Wesclin<br>Community<br>Unit #3 | Breese<br>Community<br>Unit #12 | St. Rose<br>Community<br>Unit #14-15 | Aviston<br>Community<br>Unit #21 | Willow Grove<br>Community<br>Unit #46 |
|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|--------------------------------------|----------------------------------|---------------------------------------|
| General State Aid                    | \$ 576,237                      | \$ 2,659,742                    | \$ 689,834                      | \$ 110,142                           | \$ 568,169                       | \$ 134,050                            |
| Reorg. Incentive - Feasibility Study | -                               | -                               | -                               | -                                    | -                                | -                                     |
| Special Ed. Private Fac. Tuition     | 13,394                          | 15,759                          | 9,126                           | -                                    | -                                | -                                     |
| Special Ed. Extraordinary            | 41,112                          | 129,249                         | 40,192                          | 4,838                                | 23,118                           | -                                     |
| Special Ed.-Personnel                | 53,456                          | 149,663                         | 49,291                          | 3,563                                | 17,314                           | -                                     |
| Special Ed.-Orphanage-Individual     | -                               | 7,142                           | -                               | -                                    | 3,787                            | -                                     |
| Special Ed.-Orphanage-Summer Ind     | -                               | 2,588                           | -                               | -                                    | -                                | -                                     |
| Special Ed.-Summer School            | -                               | 644                             | -                               | -                                    | -                                | -                                     |
| V.E.-Career & Tech Ed. Impr.         | -                               | -                               | -                               | -                                    | -                                | -                                     |
| Agriculture Education                | -                               | 2,124                           | -                               | -                                    | -                                | -                                     |
| Bilingual Ed.-T.P.I. & T.B.E.        | -                               | -                               | 1,731                           | -                                    | -                                | -                                     |
| State Free Lunch and Breakfast       | 253                             | 2,041                           | 1,188                           | 22                                   | 136                              | 67                                    |
| Driver Education                     | 2,711                           | 11,965                          | -                               | -                                    | -                                | -                                     |
| Transportation Regular               | 35,010                          | 44,130                          | 10,881                          | 9,604                                | 23,073                           | -                                     |
| Transportation-Special Ed.           | 48,271                          | 60,740                          | 69,179                          | -                                    | 4,006                            | -                                     |
| ROE School Bus Driver Training       | -                               | -                               | -                               | -                                    | -                                | -                                     |
| Truant Alternative/Optional Ed.      | -                               | -                               | -                               | -                                    | -                                | -                                     |
| Regional Safe Schools                | -                               | -                               | -                               | -                                    | -                                | -                                     |
| Early Childhood-Block Grant          | -                               | 145,528                         | 83,300                          | -                                    | -                                | -                                     |
| ROE/ISC-Operations                   | -                               | -                               | -                               | -                                    | -                                | -                                     |
| Rural Education Initiative           | -                               | -                               | -                               | -                                    | -                                | -                                     |
| National School Lunch Program        | -                               | 76,514                          | 41,403                          | -                                    | 8,784                            | -                                     |
| Special Milk Program                 | -                               | -                               | -                               | -                                    | -                                | -                                     |
| School Breakfast Program             | -                               | 16,562                          | 10,546                          | -                                    | -                                | -                                     |
| Fresh Fruits and Vegetables          | -                               | -                               | -                               | -                                    | -                                | -                                     |
| Title I Low Income                   | -                               | 44,780                          | 29,678                          | -                                    | 8,145                            | -                                     |
| Fed. Special Ed. IDEA Flow Through   | -                               | -                               | -                               | -                                    | -                                | -                                     |
| V.E. Perkins-Title II C Secondary    | -                               | -                               | -                               | -                                    | -                                | -                                     |
| ARRA-Title I-Low Income              | -                               | -                               | -                               | -                                    | -                                | -                                     |
| ARRA-School Improvement              | -                               | -                               | -                               | -                                    | -                                | -                                     |
| Race to the Top                      | -                               | -                               | -                               | -                                    | -                                | -                                     |
| Title II Teacher Quality             | -                               | 15,692                          | 14,124                          | -                                    | 5,087                            | -                                     |
| <b>TOTAL</b>                         | <b>\$ 770,444</b>               | <b>\$ 3,384,863</b>             | <b>\$ 1,050,473</b>             | <b>\$ 128,169</b>                    | <b>\$ 661,619</b>                | <b>\$ 134,117</b>                     |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES (Continued)  
DISTRIBUTIVE FUND  
For the year ended June 30, 2013**

|                                      | Bartelso<br>Community<br>Unit #57 | Germantown<br>Community<br>Unit #60 | Damiansville<br>Community<br>Unit #62 | Albers<br>Community<br>Unit #63 | Central<br>Community<br>Unity #71 |
|--------------------------------------|-----------------------------------|-------------------------------------|---------------------------------------|---------------------------------|-----------------------------------|
| General State Aid                    | \$ 54,917                         | \$ 129,629                          | \$ 73,935                             | \$ 266,265                      | \$ 185,521                        |
| Reorg. Incentive - Feasibility Study | -                                 | -                                   | -                                     | -                               | -                                 |
| Special Ed. Private Fac. Tuition     | -                                 | -                                   | -                                     | -                               | 4,420                             |
| Special Ed. Extraordinary            | 3,888                             | 7,811                               | 3,621                                 | 10,800                          | 19,344                            |
| Special Ed.-Personnel                | 2,250                             | 7,326                               | 1,390                                 | 6,250                           | 16,311                            |
| Special Ed.-Orphanage-Individual     | -                                 | -                                   | -                                     | -                               | -                                 |
| Special Ed.-Orphanage-Summer Ind     | -                                 | -                                   | -                                     | -                               | -                                 |
| Special Ed.-Summer School            | -                                 | -                                   | -                                     | -                               | -                                 |
| V.E.-Career & Tech Ed. Impr.         | -                                 | -                                   | -                                     | -                               | -                                 |
| Agriculture Education                | -                                 | -                                   | -                                     | -                               | -                                 |
| Bilingual Ed.-T.P.I. & T.B.E.        | -                                 | -                                   | -                                     | -                               | -                                 |
| State Free Lunch and Breakfast       | 3                                 | -                                   | 34                                    | 112                             | 108                               |
| Driver Education                     | -                                 | -                                   | -                                     | -                               | 10,397                            |
| Transportation Regular               | 4,504                             | 543                                 | 1,878                                 | 2,326                           | 16,854                            |
| Transportation-Special Ed.           | -                                 | -                                   | 3,262                                 | 2,059                           | 67,860                            |
| ROE School Bus Driver Training       | -                                 | -                                   | -                                     | -                               | -                                 |
| Truant Alternative/Optional Ed.      | -                                 | -                                   | -                                     | -                               | -                                 |
| Regional Safe Schools                | -                                 | -                                   | -                                     | -                               | -                                 |
| Early Childhood-Block Grant          | -                                 | 3,910                               | -                                     | -                               | -                                 |
| ROE/ISC-Operations                   | -                                 | -                                   | -                                     | -                               | -                                 |
| Rural Education Initiative           | -                                 | -                                   | -                                     | -                               | -                                 |
| National School Lunch Program        | -                                 | -                                   | -                                     | 5,529                           | -                                 |
| Special Milk Program                 | -                                 | -                                   | -                                     | -                               | -                                 |
| School Breakfast Program             | -                                 | -                                   | -                                     | -                               | -                                 |
| Fresh Fruits and Vegetables          | -                                 | -                                   | -                                     | -                               | -                                 |
| Title I Low Income                   | -                                 | -                                   | -                                     | -                               | -                                 |
| Fed. Special Ed. IDEA Flow Through   | -                                 | -                                   | -                                     | -                               | -                                 |
| V.E. Perkins-Title II C Secondary    | -                                 | -                                   | -                                     | -                               | -                                 |
| ARRA-Title I-Low Income              | -                                 | -                                   | -                                     | -                               | -                                 |
| ARRA-School Improvement              | -                                 | -                                   | -                                     | -                               | -                                 |
| Race to the Top                      | -                                 | -                                   | -                                     | -                               | -                                 |
| Title II Teacher Quality             | -                                 | -                                   | -                                     | 1,488                           | -                                 |
| <b>TOTAL</b>                         | <b>\$ 65,562</b>                  | <b>\$ 149,219</b>                   | <b>\$ 84,120</b>                      | <b>\$ 294,829</b>               | <b>\$ 320,815</b>                 |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES (Continued)**

**DISTRIBUTIVE FUND**

**For the year ended June 30, 2013**

|                                      | North Wamac<br>Community<br>Unit #186 | Raccoon<br>Cons<br>Community<br>Unit #1 | Kell Cons<br>Community<br>Unit #2 | Iuka<br>Community<br>Unit #7 | Selmaville<br>Community<br>Unit #10 |
|--------------------------------------|---------------------------------------|---|-----------------------------------|------------------------------|-------------------------------------|
| General State Aid                    | \$ 136,682                            | \$ 658,257                              | \$ 118,796                        | \$ 747,479                   | \$ 418,147                          |
| Reorg. Incentive - Feasibility Study | -                                     | -                                       | -                                 | -                            | -                                   |
| Special Ed. Private Fac. Tuition     | -                                     | -                                       | -                                 | -                            | -                                   |
| Special Ed. Extraordinary            | 4,732                                 | 24,582                                  | 3,550                             | 16,610                       | 15,299                              |
| Special Ed.-Personnel                | 6,441                                 | 34,212                                  | 2,807                             | 25,387                       | 14,103                              |
| Special Ed.-Orphanage-Individual     | -                                     | 10,329                                  | -                                 | -                            | -                                   |
| Special Ed.-Orphanage-Summer Ind     | -                                     | -                                       | -                                 | -                            | -                                   |
| Special Ed.-Summer School            | -                                     | -                                       | -                                 | -                            | -                                   |
| V.E.-Career & Tech Ed. Impr.         | -                                     | -                                       | -                                 | -                            | -                                   |
| Agriculture Education                | -                                     | -                                       | -                                 | -                            | -                                   |
| Bilingual Ed.-T.P.I. & T.B.E.        | -                                     | -                                       | -                                 | -                            | -                                   |
| State Free Lunch and Breakfast       | 239                                   | 1,091                                   | 82                                | 980                          | 506                                 |
| Driver Education                     | -                                     | -                                       | -                                 | -                            | -                                   |
| Transportation Regular               | 4,142                                 | 72,601                                  | 11,726                            | 77,482                       | 23,169                              |
| Transportation-Special Ed.           | 1,173                                 | 10,934                                  | -                                 | 5,742                        | 5,281                               |
| ROE School Bus Driver Training       | -                                     | -                                       | -                                 | -                            | -                                   |
| Truant Alternative/Optional Ed.      | -                                     | -                                       | -                                 | -                            | -                                   |
| Regional Safe Schools                | -                                     | -                                       | -                                 | -                            | -                                   |
| Early Childhood-Block Grant          | -                                     | -                                       | -                                 | -                            | -                                   |
| ROE/ISC-Operations                   | -                                     | -                                       | -                                 | -                            | -                                   |
| Rural Education Initiative           | -                                     | -                                       | -                                 | -                            | -                                   |
| National School Lunch Program        | -                                     | 29,730                                  | -                                 | 29,655                       | 18,673                              |
| Special Milk Program                 | -                                     | -                                       | -                                 | -                            | -                                   |
| School Breakfast Program             | -                                     | 14,458                                  | -                                 | 12,441                       | 8,443                               |
| Fresh Fruits and Vegetables          | 213                                   | -                                       | -                                 | -                            | -                                   |
| Title I Low Income                   | -                                     | 26,912                                  | -                                 | 21,405                       | 12,609                              |
| Fed. Special Ed. IDEA Flow Through   | -                                     | -                                       | -                                 | -                            | -                                   |
| V.E. Perkins-Title II C Secondary    | -                                     | -                                       | -                                 | -                            | -                                   |
| ARRA-Title I-Low Income              | -                                     | -                                       | -                                 | -                            | -                                   |
| ARRA-School Improvement              | -                                     | -                                       | -                                 | -                            | -                                   |
| Race to the Top                      | -                                     | -                                       | -                                 | -                            | -                                   |
| Title II Teacher Quality             | -                                     | 8,596                                   | -                                 | 4,454                        | 5,248                               |
| <b>TOTAL</b>                         | <b>\$ 153,622</b>                     | <b>\$ 891,702</b>                       | <b>\$ 136,961</b>                 | <b>\$ 941,635</b>            | <b>\$ 521,478</b>                   |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES (Continued)**

**DISTRIBUTIVE FUND**

**For the year ended June 30, 2013**

|                                      | Patoka<br>Community<br>Unit #100 | Salem<br>Community<br>Unit #111 | Central City<br>Community<br>Unit #133 | Centralia<br>Community<br>Unit #135 | Centralia High<br>Community<br>Unit #200 |
|--------------------------------------|----------------------------------|---------------------------------|--|-------------------------------------|--|
| General State Aid                    | \$ 43,464                        | \$ 671,628                      | \$ 687,068                             | \$ 3,980,898                        | \$ 2,042,098                             |
| Reorg. Incentive - Feasibility Study | -                                | -                               | -                                      | -                                   | -  |
| Special Ed. Private Fac. Tuition     | -                                | -                               | -                                      | -                                   | -  |
| Special Ed. Extraordinary            | 8,767                            | 34,768                          | 16,516                                 | 100,818                             | 70,863                                   |
| Special Ed.-Personnel                | 8,451                            | 40,669                          | 17,597                                 | 138,887                             | 71,031                                   |
| Special Ed.-Orphanage-Individual     | -                                | -                               | 2,256                                  | 36,292                              | 227,358                                  |
| Special Ed.-Orphanage-Summer Ind     | -                                | -                               | -                                      | 10,118                              | 30,835                                   |
| Special Ed.-Summer School            | -                                | -                               | -                                      | -                                   | -  |
| V.E.-Career & Tech Ed. Impr.         | -                                | -                               | -                                      | -                                   | -  |
| Agriculture Education                | -                                | -                               | -                                      | -                                   | 958                                      |
| Bilingual Ed.-T.P.I. & T.B.E.        | -                                | -                               | -                                      | -                                   | -  |
| State Free Lunch and Breakfast       | 63                               | 297                             | 854                                    | 8,975                               | 1,817                                    |
| Driver Education                     | 688                              | -                               | -                                      | -                                   | 18,228                                   |
| Transportation Regular               | 32,300                           | 62,041                          | 7,556                                  | 99,527                              | 82,293                                   |
| Transportation-Special Ed.           | 15,853                           | 16,869                          | 1,300                                  | 51,356                              | 15,441                                   |
| ROE School Bus Driver Training       | -                                | -                               | -                                      | -                                   | -  |
| Truant Alternative/Optional Ed.      | -                                | -                               | -                                      | -                                   | -  |
| Regional Safe Schools                | -                                | -                               | -                                      | -                                   | -  |
| Early Childhood-Block Grant          | -                                | -                               | -                                      | -                                   | -  |
| ROE/ISC-Operations                   | -                                | -                               | -                                      | -                                   | -  |
| Rural Education Initiative           | -                                | -                               | -                                      | 6,117                               | -  |
| National School Lunch Program        | -                                | -                               | 24,876                                 | 250,417                             | 44,432                                   |
| Special Milk Program                 | -                                | -                               | -                                      | 171                                 | -  |
| School Breakfast Program             | -                                | -                               | 9,961                                  | 84,334                              | 18,664                                   |
| Fresh Fruits and Vegetables          | -                                | -                               | -                                      | 18,266                              | -  |
| Title I Low Income                   | 5,933                            | -                               | 29,493                                 | 371,406                             | 161,049                                  |
| Fed. Special Ed. IDEA Flow Through   | -                                | -                               | -                                      | -                                   | -  |
| V.E. Perkins-Title II C Secondary    | -                                | -                               | -                                      | -                                   | -  |
| ARRA-Title I-Low Income              | -                                | -                               | -                                      | 78,374                              | -  |
| ARRA-School Improvement              | -                                | -                               | -                                      | -                                   | -  |
| Race to the Top                      | -                                | -                               | -                                      | -                                   | -  |
| Title II Teacher Quality             | 3,495                            | -                               | 8,933                                  | 46,420                              | 19,739                                   |
| <b>TOTAL</b>                         | <b>\$ 119,014</b>                | <b>\$ 826,272</b>               | <b>\$ 806,410</b>                      | <b>\$ 5,282,376</b>                 | <b>\$ 2,804,806</b>                      |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES (Continued)**

**DISTRIBUTIVE FUND**

**For the year ended June 30, 2013**

|                                      | South Central<br>Community<br>Unit #401 | Sandoval<br>Community<br>Unit #501 | Salem<br>Community<br>Unit #600 | Odin Public<br>School #722 | Oakdale<br>Community<br>Unit #1 |
|--------------------------------------|---|------------------------------------|---------------------------------|----------------------------|---------------------------------|
| General State Aid                    | \$ 680,878                              | \$ 1,659,503                       | \$ 1,745,135                    | \$ 356,521                 | \$ 181,813                      |
| Reorg. Incentive - Feasibility Study | -                                       | -                                  | -                               | 116,000                    | -                               |
| Special Ed. Private Fac. Tuition     | -                                       | -                                  | 7,805                           | -                          | 1,740                           |
| Special Ed. Extraordinary            | 24,660                                  | 35,740                             | 53,431                          | 10,000                     | 7,704                           |
| Special Ed.-Personnel                | 31,282                                  | 44,369                             | 50,306                          | 10,215                     | 14,452                          |
| Special Ed.-Orphanage-Individual     | -                                       | 5,075                              | -                               | -                          | -                               |
| Special Ed.-Orphanage-Summer Ind     | -                                       | -                                  | -                               | -                          | -                               |
| Special Ed.-Summer School            | -                                       | -                                  | 2,050                           | -                          | -                               |
| V.E.-Career & Tech Ed. Impr.         | -                                       | -                                  | -                               | -                          | -                               |
| Agriculture Education                | 1,451                                   | 5,000                              | 2,271                           | 1,956                      | -                               |
| Bilingual Ed.-T.P.I. & T.B.E.        | -                                       | -                                  | -                               | -                          | -                               |
| State Free Lunch and Breakfast       | 668                                     | 2,238                              | 1,214                           | 179                        | 206                             |
| Driver Education                     | 2,246                                   | 4,271                              | 14,711                          | 904                        | -                               |
| Transportation Regular               | 64,842                                  | 96,632                             | 39,304                          | 5,283                      | 38,909                          |
| Transportation-Special Ed.           | -                                       | 14,836                             | 25,348                          | 2,087                      | 918                             |
| ROE School Bus Driver Training       | -                                       | -                                  | -                               | -                          | -                               |
| Truant Alternative/Optional Ed.      | -                                       | -                                  | -                               | -                          | -                               |
| Regional Safe Schools                | -                                       | -                                  | -                               | -                          | -                               |
| Early Childhood-Block Grant          | -                                       | 71,086                             | -                               | -                          | -                               |
| ROE/ISC-Operations                   | -                                       | -                                  | -                               | -                          | -                               |
| Rural Education Initiative           | -                                       | -                                  | -                               | -                          | -                               |
| National School Lunch Program        | -                                       | 69,648                             | 49,954                          | -                          | 7,390                           |
| Special Milk Program                 | -                                       | 256                                | -                               | -                          | -                               |
| School Breakfast Program             | -                                       | 24,257                             | 6,798                           | -                          | 4,198                           |
| Fresh Fruits and Vegetables          | -                                       | 4,649                              | -                               | -                          | -                               |
| Title I Low Income                   | 25,305                                  | 86,026                             | 96,785                          | -                          | -                               |
| Fed. Special Ed. IDEA Flow Through   | -                                       | -                                  | -                               | -                          | -                               |
| V.E. Perkins-Title II C Secondary    | -                                       | -                                  | -                               | -                          | -                               |
| ARRA-Title I-Low Income              | -                                       | -                                  | -                               | -                          | -                               |
| ARRA-School Improvement              | -                                       | 427,545                            | -                               | -                          | -                               |
| Race to the Top                      | -                                       | 3,313                              | -                               | -                          | -                               |
| Title II Teacher Quality             | 4,661                                   | 21,756                             | 18,289                          | -                          | -                               |
| <b>TOTAL</b>                         | <u>\$ 835,993</u>                       | <u>\$ 2,576,200</u>                | <u>\$ 2,113,401</u>             | <u>\$ 503,145</u>          | <u>\$ 257,330</u>               |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES (Continued)**

**DISTRIBUTIVE FUND**

**For the year ended June 30, 2013**

|                                      | West Washington<br>Co. Community<br>Unit #10 | Irvington<br>Community<br>Unit #11 | Ashley<br>Community<br>Unit #15 | Hoyleton<br>Cons<br>Community<br>Unit #29 | Nashville<br>Community<br>Unit #49 |
|--------------------------------------|--|------------------------------------|---------------------------------|---|------------------------------------|
| General State Aid                    | \$ 337,974                                   | \$ 41,249                          | \$ 319,241                      | \$ 35,894                                 | \$ 246,549                         |
| Reorg. Incentive - Feasibility Study | -  | -                                  | -                               | -   | -                                  |
| Special Ed. Private Fac. Tuition     | -  | -                                  | -                               | -   | -                                  |
| Special Ed. Extraordinary            | 17,541                                       | 2,692                              | 16,003                          | 2,469                                     | 17,154                             |
| Special Ed.-Personnel                | 14,831                                       | 1,540                              | 13,500                          | 5,866                                     | 16,881                             |
| Special Ed.-Orphanage-Individual     | -  | -                                  | -                               | -   | -                                  |
| Special Ed.-Orphanage-Summer Ind     | -  | -                                  | -                               | -   | -                                  |
| Special Ed.-Summer School            | -  | -                                  | -                               | -   | -                                  |
| V.E.-Career & Tech Ed. Impr.         | -  | -                                  | -                               | -   | -                                  |
| Agriculture Education                | 2,187  | -                                  | -                               | -   | -                                  |
| Bilingual Ed.-T.P.I. & T.B.E.        | -  | -                                  | -                               | -   | -                                  |
| State Free Lunch and Breakfast       | 148  | 31                                 | 750                             | 53  | 292                                |
| Driver Education                     | 1,584  | -                                  | -                               | -   | -                                  |
| Transportation Regular               | 35,330                                       | 2,198                              | 29,049                          | 3,025                                     | 19,848                             |
| Transportation-Special Ed.           | 18,008                                       | 292                                | 11,632                          | 3,046                                     | 5,791                              |
| ROE School Bus Driver Training       | -  | -                                  | -                               | -   | -                                  |
| Truant Alternative/Optional Ed.      | -  | -                                  | -                               | -   | -                                  |
| Regional Safe Schools                | -  | -                                  | -                               | -   | -                                  |
| Early Childhood-Block Grant          | -  | -                                  | -                               | -   | 33,334                             |
| ROE/ISC-Operations                   | -  | -                                  | -                               | -   | -                                  |
| Rural Education Initiative           | -  | -                                  | -                               | -   | -                                  |
| National School Lunch Program        | -  | -                                  | 18,826                          | -   | -                                  |
| Special Milk Program                 | -  | -                                  | -                               | -   | -                                  |
| School Breakfast Program             | -  | -                                  | 9,429                           | -   | -                                  |
| Fresh Fruits and Vegetables          | -  | -                                  | -                               | -   | -                                  |
| Title I Low Income                   | -  | 668                                | 19,362                          | -   | 8,203                              |
| Fed. Special Ed. IDEA Flow Through   | -  | -                                  | -                               | -   | -                                  |
| V.E. Perkins-Title II C Secondary    | -  | -                                  | -                               | -   | -                                  |
| ARRA-Title I-Low Income              | -  | -                                  | 6,561                           | -   | -                                  |
| ARRA-School Improvement              | -  | -                                  | -                               | -   | -                                  |
| Race to the Top                      | -  | -                                  | -                               | -   | -                                  |
| Title II Teacher Quality             | -  | 668                                | 738                             | -   | 1,312                              |
| <b>TOTAL</b>                         | <b>\$ 427,603</b>                            | <b>\$ 49,338</b>                   | <b>\$ 445,091</b>               | <b>\$ 50,353</b>                          | <b>\$ 349,364</b>                  |

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES (Continued)**

**DISTRIBUTIVE FUND**

**For the year ended June 30, 2013**

|                                      | Nashville<br>Community<br>Unit #99 | Kaskaskia<br>Special<br>Education<br>District #801 | Career/<br>Technology<br>Education<br>System | Regional<br>Office of<br>Education #13 | Total                |
|--------------------------------------|------------------------------------|--|--|--|----------------------|
| General State Aid                    | \$ 620,054                         | \$ -   | \$ -   | \$ 161,439                             | \$ 21,339,208        |
| Reorg. Incentive - Feasibility Study | -                                  | -  | -  | -                                      | 116,000              |
| Special Ed. Private Fac. Tuition     | -                                  | -  | -  | -                                      | 52,244               |
| Special Ed. Extraordinary            | 28,359                             | -  | -  | -                                      | 796,231              |
| Special Ed.-Personnel                | 26,867                             | -  | -  | -                                      | 896,508              |
| Special Ed.-Orphanage-Individual     | 2,671                              | -  | -  | -                                      | 294,910              |
| Special Ed.-Orphanage-Summer Ind     | -                                  | -  | -  | -                                      | 43,541               |
| Special Ed.-Summer School            | 277                                | -  | -  | -                                      | 2,971                |
| V.E.-Career & Tech Ed. Impr.         | -                                  | -  | 358,457                                      | -                                      | 358,457              |
| Agriculture Education                | -                                  | -  | -  | -                                      | 15,947               |
| Bilingual Ed.-T.P.I. & T.B.E.        | -                                  | -  | -  | -                                      | 1,731                |
| State Free Lunch and Breakfast       | 187                                | 43   | -  | 279                                    | 25,156               |
| Driver Education                     | 8,886                              | -  | -  | -                                      | 76,591               |
| Transportation Regular               | 93,553                             | -  | -  | -                                      | 1,049,613            |
| Transportation-Special Ed.           | 26,723                             | -  | -  | -                                      | 488,007              |
| ROE School Bus Driver Training       | -                                  | -  | -  | 1,009                                  | 1,009                |
| Truant Alternative/Optional Ed.      | -                                  | -  | -  | 103,608                                | 103,608              |
| Regional Safe Schools                | -                                  | -  | -  | 58,958                                 | 58,958               |
| Early Childhood-Block Grant          | -                                  | -  | -  | 630,580                                | 967,738              |
| ROE/ISC-Operations                   | -                                  | -  | -  | 24,466                                 | 24,466               |
| Rural Education Initiative           | -                                  | -  | -  | -                                      | 6,117                |
| National School Lunch Program        | 9,376                              | -  | -  | 8,096                                  | 693,303              |
| Special Milk Program                 | -                                  | -  | -  | -                                      | 427                  |
| School Breakfast Program             | -                                  | -  | -  | 3,839                                  | 223,930              |
| Fresh Fruits and Vegetables          | -                                  | -  | -  | -                                      | 23,128               |
| Title I Low Income                   | 18,169                             | -  | -  | -                                      | 965,928              |
| Fed. Special Ed. IDEA Flow Through   | -                                  | 199,428  | -  | -                                      | 199,428              |
| V.E. Perkins-Title II C Secondary    | -                                  | -  | 89,230                                       | -                                      | 89,230               |
| ARRA-Title I-Low Income              | -                                  | -  | -  | -                                      | 84,935               |
| ARRA-School Improvement              | -                                  | -  | -  | -                                      | 427,545              |
| Race to the Top                      | -                                  | -  | -  | -                                      | 3,313                |
| Title II Teacher Quality             | 4,555                              | -  | -  | -                                      | 185,255              |
| <b>TOTAL</b>                         | <b>\$ 839,677</b>                  | <b>\$ 199,471</b>                                  | <b>\$ 447,687</b>                            | <b>\$ 992,274</b>                      | <b>\$ 29,615,433</b> |

**FEDERAL FINANCIAL COMPLIANCE SECTION**

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2013**

| Federal Grantor/ Pass-Through Grantor<br>Program or Cluster Title       | CFDA<br>Number | Project #<br>(1st 8 digits)<br>or Contract # | Federal<br>Expenditures<br>7/1/12 - 6/30/13 |
|---|----------------|--|---|
| <b>U.S. Department of Education:</b>                                    |                |  |   |
| <i>Passed through Illinois State Board of Education</i>                 |                |  |   |
| Title II - Teacher Quality Leadership Grant                             | 84.367A        | 13-4935-02                                   | \$ 5,630                                    |
| <i>Passed through Illinois Department of Human Services</i>             |                |  |   |
| (M) Special Education Grants for Infants and Families with Disabilities | 84.181         | FCSR000917                                   | 476,522                                     |
| <i>Passed through Regional Office of Education #3</i>                   |                |  |   |
| McKinney Education for Homeless Children                                | 84.196A        | 13-4920-00                                   | 27,069                                      |
| Total U.S. Department of Education                                      |                |  | 509,221                                     |
| <b>U.S. Department of Agriculture:</b>                                  |                |  |   |
| <i>Passed through Illinois State Board of Education</i>                 |                |  |   |
| National School Lunch Program   | 10.555         | 12-4210-00                                   | 1,508                                       |
| National School Lunch Program   | 10.555         | 13-4210-00                                   | 11,571                                      |
| Total School Lunch Program  |                |  | 13,079                                      |
| School Breakfast Program  | 10.553         | 12-4220-00                                   | 689   |
| School Breakfast Program  | 10.553         | 13-4220-00                                   | 5,398                                       |
| Total School Breakfast Program  |                |  | 6,087                                       |
| Total U.S. Department of Agriculture                                    |                |  | 19,166                                      |
| <b>TOTAL</b>  |                |  | <b>\$ 528,387</b>                           |

(M) Program was audited as a major program

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CLINTON, MARION, AND WASHINGTON COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 13**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2013**

**1. REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Regional Office of Education No. 13 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 in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**2. SUBRECIPIENTS**

No amounts were awarded to subrecipients.

**3. DESCRIPTIONS OF MAJOR FEDERAL PROGRAMS**

**Special Education for Infants and Families with Disabilities** – This program is funded by the Department of Human Services to help families with children between birth and age three obtain evaluations and assessments. Individualized plans are developed to help a child learn, grow, and receive needed services.

**4. NON-CASH ASSISTANCE**

The note is not applicable to Regional Office of Education No. 13.

**5. AMOUNT OF INSURANCE**

The note is not applicable to Regional Office of Education No. 13.

**6. LOANS OR LOAN GUARANTEES OUTSTANDING**

The note is not applicable to Regional Office of Education No. 13.