

**State of Illinois**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**FINANCIAL AUDIT**  
**(In Accordance with the Single Audit Act**  
**and OMB Circular A-133)**  
**For the Year Ended June 30, 2005**

**Performed as Special Assistant Auditors**  
**For Office of the Auditor General**

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2005**

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**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2005**

**OFFICIALS**

Regional Superintendent (Current and during audit period)

Mr. Marc L. Kiehna

Assistant Regional Superintendent (Current and during audit period)

Mr. Kelton J.V. Davis

Offices are located at:

107 East Mill Street  
Waterloo, Illinois 62298

Randolph County Courthouse  
#1 Taylor Street  
Chester, Illinois 62233

**STATE OF ILLINOIS  
 REGIONAL OFFICE OF EDUCATION #45  
 MONROE AND RANDOLPH COUNTIES  
 For the Year Ended June 30, 2005**

**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 on internal controls do not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF AUDIT FINDINGS**

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

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

05-1	12	Controls Over Compliance with Laws and Regulations
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FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2005**

SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
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PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel in an exit conference on December 14, 2005. Attending were Marc Kiehna, Regional Superintendent of Schools, Kelton Davis, Assistant Regional Superintendent, Linda Schmidt, Fiscal Operations, Comptroller, Patty Taake, Bookkeeper, Jack Heller, CPA, Special Assistant Auditor, J. W. Boyle & Co., Ltd., and Jill Branch, Special Assistant Auditor, J. W. Boyle & Co., Ltd. Responses to the recommendations were provided by Marc Kiehna, Regional Superintendent, on December 14, 2005.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2005**

**FINANCIAL STATEMENT REPORT SUMMARY**

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

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

## **AUDITORS' REPORTS**

## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #45, as of and for the year ended June 30, 2005, which collectively comprise the Regional Office of Education #45's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #45's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The fiscal year ended June 30, 1996 audit report has not been finalized. In addition, the predecessor auditor's working papers for that year have not been available for review. Therefore, we are unable to satisfy ourselves regarding beginning balances reported in the prior year's financial statements and we are unsure of the status of finalizing the fiscal year ended June 30, 1996 audited financial statements including any unrecorded liabilities as described in Note 7.

In our opinion, except for the effects of such adjustments, if any, as might have been necessary had the working papers been reviewed and a final audit report issued for the fiscal year ended June 30, 1996, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #45, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 5, 2005 on our consideration of the Regional Office of Education #45's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral

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

The Management's Discussion and Analysis and the Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a through 16i and 49 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



J. W. Boyle & Co., Ltd.

October 5, 2005

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #45, as of and for the year ended June 30, 2005, which collectively comprise the Regional Office of Education #45's basic financial statements and have issued our report thereon dated October 5, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #45's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #45's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance which is required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*, to be reported on the accompanying Schedule of Findings and Questioned Costs as item 05-1.

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

*J.W. Boyle & Co., Ltd*

J. W. Boyle & Co., Ltd.

October 5, 2005

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE FOR  
EACH PROGRAM DETERMINED TO BE MAJOR BY THE ILLINOIS STATE BOARD  
OF EDUCATION IN THEIR MONITORING OF FEDERAL PROGRAMS**

Honorable William G. Holland  
Auditor General  
State of Illinois

Compliance

We have audited the compliance of the Regional Office of Education #45 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The Regional Office of Education #45's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Regional Office of Education #45's management. Our responsibility is to express an opinion on the Regional Office of Education #45's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 criteria as required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*. Those standards and criteria 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 Regional Office of Education #45's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Regional Office of Education #45's compliance with those requirements.

In our opinion, the Regional Office of Education #45 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control over Compliance

The management of the Regional Office of Education #45 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Regional Office of Education #45's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 criteria as required by *Guidelines to Auditing and Reporting for a Regional Office of Education*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

*J. W. Boyle & Co., Ltd.*

J. W. Boyle & Co., Ltd.

October 5, 2005

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**STATE OF ILLINOIS  
 REGIONAL OFFICE OF EDUCATION #45  
 MONROE AND RANDOLPH COUNTIES  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2005**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditor's report issues: \_\_\_\_\_ Qualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes  X  No
- Reportable condition(s) identified that are not considered to be material weakness(es) \_\_\_\_\_ 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
- Reportable condition(s) identified that are not considered to be material weakness(es) \_\_\_\_\_ Yes  X  None reported

Type of report issued on compliance  
 For major programs: \_\_\_\_\_ Unqualified

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:

<u>CFDS Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.213	Even Start (Sparta)
84.010A	Title I School Improvement System of Support

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

Auditee qualified as a low-risk auditee? \_\_\_\_\_ Yes  X  No

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2005**

**Section II – Financial Statement Findings**

**FINDING NO.**            05-1  
**REPEATED FROM**    N/A

**Controls Over Compliance with Laws and Regulations**

**1. Criteria/specific requirement:**

The Illinois School Code 105 ILCS 5/3-14.11 states that the Regional Superintendent shall examine at least once each year all books, accounts, and vouchers of every school treasurer in his educational service region, and if he finds any irregularities in them, to report them at once, in writing, to the trustees in Class II county school units, to the respective school boards of those school districts which form a part of a Class II county school unit but which are not subject to the jurisdiction of the trustees of schools of any township in which any such district is located, or to the respective school boards of the district in Class I county school units whose duty it shall be to take immediately such action as the case demands.

This mandate has existed in its current form since at least 1953.

**2. Condition:**

The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in its educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on the Annual Financial Reports from the school districts in his region. In addition, the Regional Office gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The Regional Office follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

**3. Effect:**

The Regional Office of Education #45 did not comply with statutory requirements.

**4. Cause:**

The Regional Superintendent receives and reviews the independent audits of all the school districts. If there is a problem he follows up accordingly with the school in question. As a result the Regional Superintendent no longer considers the procedure as necessary.

**5. Recommendation:**

The Regional Office of Education #45 should comply with the requirements of 105 ILCS 5/3-14.11. If the Regional Office believes the statutory mandate is obsolete or otherwise unnecessary, then it should seek legislative action to revise the statute accordingly.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2005**

**6. *Management's response:***

In 1953, there were 102 county superintendents and their duties were a lot less numerous than today. Few schools had budgets that exceeded \$500,000. Under such conditions, this law probably made sense. During the past 50+ years, various practices have evolved eliminating the need for this type of monitoring. In the 21<sup>st</sup> century, all schools have multi-million dollar budgets that are: 1.) audited annually by professionally certified outside auditing firms; 2.) audits are filed for public record & inspection; and 3.) this is tracked through the process by the procedures mentioned above in the section titled "Condition". Requiring the ROE's to do another review would be redundant, costly, and require the hiring of teams of new staff members in each ROE to carry out the task. The latter begs the question of which level(s) of government would bear the cost to carry out this task and how costly might that be to reinstitute the practice?

We are grateful for the OAG's assistance in calling this to our collective attention because it provides the Regional Offices of Education with additional justification to request that the General Assembly delete this and other obsolete sections from the statutes. We will seek a legislative solution to this and other obsolete passages.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2005**

**Section III: Findings and Questioned Costs for Federal Awards**

**INSTANCES OF NONCOMPLIANCE:**

None

**REPORTABLE CONDITIONS**

None

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
CORRECTIVE ACTION PLAN FOR CURRENT – YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2005**

**Corrective Action Plan**

**Finding No. 05-1–Controls Over Compliance with Laws and Regulations**

**Condition:**

The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in its educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on the Annual Financial Reports from the school districts in his region. In addition, the Regional Office gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The Regional Office follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

**Plan:**

The Regional Office of Education will seek a legislative solution to this and other obsolete passages.

**Anticipated Date of Completion:**

As soon as practicable.

**Name of Contact Person:**

Marc Kiehna, Regional Superintendent

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

# **REGIONAL OFFICE OF EDUCATION #45 MONROE AND RANDOLPH COUNTIES**

## **Management's Discussion and Analysis (in thousands)**

As management of Monroe/Randolph Counties Regional Office of Education #45 (ROE #45), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the ROE #45 for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with ROE #45's financial statements, which follow this section.

### **2005 Financial Highlights**

- The assets of Regional Office of Education #45 exceeded its liabilities by \$760,000 (net assets). Of this amount, \$196,000 is restricted for specific purposes of governmental activities and another \$116,000 is restricted for business activities. \$104,000 accounts for the capital assets with no related debt.
- The Regional Office of Education #45's total net assets decreased by \$36,000. This change was attributable to excess of expenses over revenues from governmental activities.
- The capital assets (net) of Regional Office of Education #45 decreased by \$26,000. A significant portion of this reduction was due to a net change in accumulated depreciation of approximately \$29,000.

### **Overview of the Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 19-22 of this report.

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-48 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning ROE #45. Overall budgeting is not a legal requirement for ROE #45. Accordingly, formal budgets are not adopted; and therefore, budgetary comparison statements are not included in the required supplementary information (RSI). However, ROE #45 is the recipient of monies from the Illinois State Board of Education (ISBE) for certain accounts within the general fund and for most accounts within the education fund on which ISBE requires budgetary comparison to actual results. Budgetary Comparison Schedules have been provided for the ISBE accounts to demonstrate compliance and can be found on pages 52, 59-70, and 73-88 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and combining statements for the general and education funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 50 - 91 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of financial position. In the case of ROE #45, assets exceeded liabilities by approximately \$760,000 at the close of fiscal year 2005.

ROE #45's net assets are split approximately 85% to governmental activities and 15% to business-type activities. Of the governmental net assets, approximately 16% are invested in capital assets, 31% restricted as to use, and the remaining 53% unrestricted as to use.

### ROE 45's Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Current and other assets</b>	\$ 571	\$ 601	\$ 122	\$ 124	\$ 693	\$ 725
<b>Capital assets</b>	104	130	-	-	104	130
<b>Total assets</b>	<u>675</u>	<u>731</u>	<u>122</u>	<u>124</u>	<u>797</u>	<u>855</u>
<b>Other liabilities</b>	31	59	6	-	37	59
<b>Long-term debt</b>	-	-	-	-	-	-
<b>Total liabilities</b>	<u>31</u>	<u>59</u>	<u>6</u>	<u>-</u>	<u>37</u>	<u>59</u>
<b>Net assets:</b>						
<b>Invested in capital assets, net of related debt</b>	104	130	-	-	104	130
<b>Restricted</b>	196	206	116	124	312	330
<b>Unrestricted</b>	344	336	-	-	344	336
<b>Total net assets</b>	<u>\$ 644</u>	<u>\$ 672</u>	<u>\$ 116</u>	<u>\$ 124</u>	<u>\$ 760</u>	<u>\$ 796</u>

During 2005, current assets, comprised predominately of cash and investments and receivables, decreased approximately \$32,000 while other liabilities decreased nearly \$22,000, both due mainly to the excess of expenses over revenues in the governmental activities. As is apparent, the net assets of the business-type activities decreased by \$8,000 and the net assets of the governmental activities decreased by approximately \$28,000, due in large part to a excess of expenses over revenues from governmental activities.

As indicated above, ROE #45 reported positive net assets for both the governmental and business-type activities. The assets of ROE #45 exceeded its liabilities at the close of the year by approximately \$760,000 (net assets). Approximately 41% of net assets are restricted for specific use; \$196,000 is restricted for specific purposes of governmental activities and another \$116,000 is restricted for registration and institute activities. The investment in net capital assets was approximately \$104,000 at the end of 2005. ROE #45 uses these capital assets in providing services to its citizens. Consequently, these assets are not available for future spending.

Net assets of ROE #45 decreased by approximately \$36,000 during 2005. Governmental activities contributed \$28,000 of the negative change while the registration and teacher's institute (business-type activities) showed a decrease of \$8,000. Key elements of the change are as follows:

**ROE 45's Changes in Net Assets**  
(in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues:						
Program revenues:						
Charges for services	\$ 8	\$ 8	\$ 66	\$ 43	\$ 74	\$ 51
Operating grants & contributions	740	769	-	-	740	769
General revenues:						
Local sources	272	291	-	-	272	291
State sources	60	70	-	-	60	70
Federal sources	-	1	-	-	-	1
On-behalf payments	245	254	-	-	245	254
Interest	4	5	2	2	6	7
Total revenues	<u>1,329</u>	<u>1,398</u>	<u>68</u>	<u>45</u>	<u>1,397</u>	<u>1,443</u>
Expenses:						
Salaries and benefits	797	845	28	6	825	851
Purchased services	226	231	26	21	252	252
Supplies and materials	52	66	16	11	68	77
Capital outlay	-	11	-	-	-	11
Other	1	7	6	7	7	14
Depreciation	36	39	-	-	36	39
On-behalf payments	245	254	-	-	245	254
Total expenses	<u>1,357</u>	<u>1,453</u>	<u>76</u>	<u>45</u>	<u>1,433</u>	<u>1,498</u>
Special item						
Net cost on disposal of capital assets	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Increase (decrease) in net assets						
	(28)	(56)	(8)	-	(36)	(56)
Net assets-beginning	<u>672</u>	<u>728</u>	<u>124</u>	<u>124</u>	<u>796</u>	<u>852</u>
Net assets-ending	<u>\$ 644</u>	<u>\$ 672</u>	<u>\$ 116</u>	<u>\$ 124</u>	<u>\$ 760</u>	<u>\$ 796</u>

See independent auditors' report.

## **Governmental Activities**

Revenues for governmental activities were approximately \$1,329,000 and expenses were \$1,357,000. In a difficult budget year, ROE #45 was able to use some of the carryover balances to pay for the additional services offered to and needed by our operation. Revenues decreased approximately \$69,000 due primarily to decreased grant funding of \$29,000 and general state revenues of \$10,000 and decreased revenues from local sources of \$19,000. The decreases were, in most part, due to reduced funding from the State of Illinois due to a lack of funds statewide.

With the reduction in revenues, efforts were made to decrease costs to compensate for the decreased revenues. Overall governmental expenses were reduced approximately \$96,000 consisting primarily of a decrease of approximately \$48,000 in salaries and benefits, a \$14,000 in supplies and materials and a decrease of \$5,000 in purchased services. The salary and benefits decreased from a reduction in the use of part-time employees. The decrease in supplies and materials was due in part to a loss of grants requiring materials and supplies.

## **Business-Type Activities**

Revenues of ROE #45's business-type activities were approximately \$68,000 with expenses of approximately \$76,000 from the registration and teachers institute programs. The charges for services increased approximately by \$23,000 when compared to 2004 due in part to increased number of workshops. Salaries and benefits increased by approximately \$22,000, supplies and materials increased by approximately \$5,000, and purchased services also increased by approximately \$5,000, as a result of the additional workshops. Further, a \$3,500 internal service charge for facilities and equipment use was charged in 2005 to reimburse the governmental funds.

## **Financial Analysis of ROE #45's Funds**

**Governmental funds.** As previously noted, ROE #45 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. ROE #45's governmental funds reported combined fund balances of \$540,000, below last year's ending fund balances of \$542,000, a decrease of \$2,000. The decrease of \$2,000 is attributable to the decrease in the availability of state resources which occurred in fiscal year 2005. ROE #45 used carryover fund balance to meet certain financial obligations during the year. Factors concerning the changes in revenues and expenditures have already been addressed in the discussion of ROE #45's governmental activities.

The general fund is the chief operating fund of ROE #45. At the end of the current fiscal year, the unreserved and undesignated balance of the general fund increased by \$8,000 to \$344,000. The education fund decreased \$9,800 to \$179,000 from 2004. As indicated in ROE #45's discussion of governmental activities, the revenue decreases were caused by reduced funding at the state level with the planned and implemented expenditure reductions. This fund balance is restricted for specific education program use.

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

**Budgetary Highlights**

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

ROE #45 acts as the administrative agent for certain grant programs that are accounted for within the special revenue funds. These programs have separate budgets and are required to be reported to the Illinois State Board of Education. Comparison of budgeted and actual results for various programs are presented as supplementary information: Adult Education – Federal Basic, Adult Education – Public Assistance, Adult Education – State Basic, Adult Education - State Performance, Even Start, Regional Safe Schools Program, ROE/ISC Operations, Secretary of State – Community Literacy Program – ILFacts, Secretary of State – Community Literacy Program – LASER, Truants Alternative/Optional Education, Title V – Innovative Programs, Title II – Teacher Quality, Title IV – Safe and Drug Free School - Formula, Title I - Reading First Part B SEA Funds, Title IV – Community Service, State Standards & Assessment System of Support, Standards Aligned Classroom Project Extension, Standards Aligned Classroom Project, Title II Teacher Quality System of Support, Title I School Improvement System of Support, Area V Illinois Math and Science Partnership, and Illinois Math and Science Partnership.

**Capital Assets**

**ROE 45's Capital Assets**  
Net of Accumulated Depreciation  
(in thousands)

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Equipment	<u>\$ 104</u>	<u>\$ 130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104</u>	<u>\$ 130</u>

At June 30, 2005 and June 30, 2004, ROE #45 had invested \$349,000 and \$346,000, respectively in a broad range of capital assets, including office equipment, computers and audio-visual equipment.

ROE #45 had depreciation expense of \$36,000 and \$38,000 in 2005 and 2004, respectively, with accumulated depreciation of \$245,000 and \$216,000 at June 30, 2005 and 2004, respectively. More detailed information about capital assets is available in Note 3 to the financial statements.

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

At the time these financial statements were prepared and audited, ROE #45 was aware of only one existing circumstance that could affect its financial health in the future. ROE #45 has experienced a decrease in the amount of state funds received from fiscal year 2004 to fiscal year 2005 and this trend could continue into future fiscal periods.

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

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

## **BASIC FINANCIAL STATEMENTS**

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF NET ASSETS  
JUNE 30, 2005**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 472,330	\$ 128,239	\$ 600,569
Investments	35,636	-	35,636
Prepaid Expenses	5,278	-	5,278
Due from other governments			
State	9,807	-	9,807
Other	40,791	-	40,791
Accounts receivable	-	1,226	1,226
Internal balances	7,500	(7,500)	-
Total Current Assets	<u>571,342</u>	<u>121,965</u>	<u>693,307</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	104,296	-	104,296
Total Noncurrent Assets	<u>104,296</u>	<u>-</u>	<u>104,296</u>
<b>TOTAL ASSETS</b>	<u>675,638</u>	<u>121,965</u>	<u>797,603</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	2,363	1,519	3,882
Accrued wages and benefits	24,765	-	24,765
Due to other governments			
State	-	-	-
Deferred revenue	4,337	4,025	8,362
Total current liabilities	<u>31,465</u>	<u>5,544</u>	<u>37,009</u>
Long-term Liabilities:			
Commitments & contingencies	-	-	-
Total Long-term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>31,465</u>	<u>5,544</u>	<u>37,009</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	104,296	-	104,296
Restricted	195,906	116,421	312,327
Unrestricted	343,971	-	343,971
<b>TOTAL NET ASSETS</b>	<u>\$ 644,173</u>	<u>\$ 116,421</u>	<u>\$ 760,594</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2005**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>							
Primary Government							
Governmental activities:							
Instructional services:							
Salaries and benefits	\$ 796,642	\$ 2,018	\$ 582,493	\$ -	\$ (212,131)	\$ -	\$ (212,131)
Purchased services	225,887	4,449	119,095	-	(102,343)	-	(102,343)
Supplies and materials	52,077	1,714	37,885	-	(12,478)	-	(12,478)
Capital outlay	-	-	-	-	-	-	-
Other	1,472	-	1,008	-	(464)	-	(464)
Depreciation	35,684	-	-	-	(35,684)	-	(35,684)
Administrative							
On-behalf payments - state	245,307	-	-	-	(245,307)	-	(245,307)
On-behalf payments - local	-	-	-	-	-	-	-
Total governmental activities	<u>1,357,069</u>	<u>8,181</u>	<u>740,481</u>	<u>-</u>	<u>(608,407)</u>	<u>-</u>	<u>(608,407)</u>
Business-type activities							
Institute and registration services	<u>75,217</u>	<u>65,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,360)</u>	<u>(9,360)</u>
Total business-type activities	<u>75,217</u>	<u>65,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,360)</u>	<u>(9,360)</u>
Total primary government	<u>\$ 1,432,286</u>	<u>\$ 74,038</u>	<u>\$ 740,481</u>	<u>\$ -</u>	<u>\$ (608,407)</u>	<u>\$ (9,360)</u>	<u>\$ (617,767)</u>
General revenues:							
Local sources					272,066	-	272,066
State sources					59,913	-	59,913
Federal sources					-	-	-
On-behalf payments					245,307	-	245,307
Interest					3,847	1,983	5,830
Special item-loss on disposal of capital assets					(465)	-	(465)
Transfers					-	-	-
Total general revenues, special and extraordinary items, and transfers					<u>580,668</u>	<u>1,983</u>	<u>582,651</u>
Change in net assets					<u>(27,739)</u>	<u>(7,377)</u>	<u>(35,116)</u>
Net assets - beginning					671,912	123,798	795,710
Net assets - ending					<u>\$ 644,173</u>	<u>\$ 116,421</u>	<u>\$ 760,594</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2005**

	General Fund	Education Fund	Other Non-Major Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 277,519	\$ 177,764	\$ 17,047	\$ 472,330
Investments	35,636	-	-	35,636
Internal balances	46,542	-	-	46,542
Due from other governments				
State	-	9,707	100	9,807
Other	6,427	34,364	-	40,791
Prepaid expenses	4,975	303	-	5,278
<b>TOTAL ASSETS</b>	<u>\$ 371,099</u>	<u>\$ 222,138</u>	<u>\$ 17,147</u>	<u>\$ 610,384</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,363	\$ -	\$ -	\$ 2,363
Accrued wages and benefits	24,765	-	-	24,765
Internal balances	-	39,042	-	39,042
Due to other governments				
State	-	-	-	-
Deferred revenue	-	4,337	-	4,337
Commitments and contingencies	-	-	-	-
<b>Total liabilities</b>	<u>27,128</u>	<u>43,379</u>	<u>-</u>	<u>70,507</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	-	-	-	-
Other purposes	-	-	-	-
Restricted	-	178,759	17,147	195,906
Unreserved, reported in:				
General fund	343,971	-	-	343,971
<b>Total fund balances</b>	<u>343,971</u>	<u>178,759</u>	<u>17,147</u>	<u>539,877</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 371,099</u>	<u>\$ 222,138</u>	<u>\$ 17,147</u>	<u>\$ 610,384</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE STATEMENT OF NET ASSETS  
JUNE 30, 2005**

Total Fund balances-governmental funds	\$ 539,877
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	104,296
Net assets of governmental activities	<u>\$ 644,173</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005**

	General Fund	Education Fund	Other Non-Major Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 249,264	\$ 22,802	\$ 5,581	\$ 277,647
State sources	59,913	384,468	2,600	446,981
Federal sources	-	356,013	-	356,013
On behalf payments	245,307	-	-	245,307
Interest	2,957	691	199	3,847
Total revenues	<u>557,441</u>	<u>763,974</u>	<u>8,380</u>	<u>1,329,795</u>
Expenditures:				
Current:				
Salaries	145,413	516,933	1,700	664,046
Employee benefits	40,224	91,807	565	132,596
Purchased services	96,677	124,462	4,748	225,887
Supplies and materials	10,562	39,592	1,923	52,077
Capital outlay	10,594	-	-	10,594
Other	419	1,053	-	1,472
On-behalf payments	245,307	-	-	245,307
Total expenditures	<u>549,196</u>	<u>773,847</u>	<u>8,936</u>	<u>1,331,979</u>
Excess (deficiency) of revenues over expenditures	<u>8,245</u>	<u>(9,873)</u>	<u>(556)</u>	<u>(2,184)</u>
Other financing sources (uses):				
Transfers in	7,532	-	-	7,532
Transfers out	(7,532)	-	-	(7,532)
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,245	(9,873)	(556)	(2,184)
Fund balances - beginning	<u>335,726</u>	<u>188,632</u>	<u>17,703</u>	<u>542,061</u>
Fund balances - ending	<u>\$ 343,971</u>	<u>\$ 178,759</u>	<u>\$ 17,147</u>	<u>\$ 539,877</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005**

Net change in fund balances	\$	(2,184)
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital outlay	\$ 10,594	
Depreciation expense	<u>(35,684)</u>	(25,090)

In the Statement of Activities, the net loss of capital assets from disposal is reflected as a special item and thus reducing the net assets.

(465)

Change in net assets of governmental activities	\$	<u><u>(27,739)</u></u>
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The notes to the financial statements are an integral part of this statement.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2005**

**BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS**

	Registration	Teacher's Institute	Total
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 98,829	\$ 29,410	\$ 128,239
Investments	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Accounts receivable	1,226	-	1,226
Total Current Assets	<u>100,055</u>	<u>29,410</u>	<u>129,465</u>
Noncurrent Assets:			
Capital assets, net of accumulated depreciation	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>100,055</u>	<u>29,410</u>	<u>129,465</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	1,519	-	1,519
Accrued wages and benefits	-	-	-
Due to other funds	-	-	-
Due to other governments			
State	-	-	-
Deferred revenue	4,025	-	4,025
Total current liabilities	<u>5,544</u>	<u>-</u>	<u>5,544</u>
Long-term liabilities			
Commitments and contingencies	-	-	-
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>5,544</u>	<u>-</u>	<u>5,544</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	-	-	-
Restricted	94,511	29,410	123,921
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	94,511	29,410	123,921
Adjustment to reflect internal service charge activity related to the Enterprise Fund	(7,500)	-	(7,500)
<b>TOTAL NET ASSETS</b>	<u>\$ 87,011</u>	<u>\$ 29,410</u>	<u>\$ 116,421</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005**

**BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS**

	Registration	Teacher's Institute	Total
Operating revenues:			
Charge for Services	\$ 54,334	\$ 11,523	\$ 65,857
Total operating revenues	<u>54,334</u>	<u>11,523</u>	<u>65,857</u>
Operating expenses:			
Salaries and Benefits	25,200	3,028	28,228
Purchased services	18,903	7,227	26,130
Supplies and materials	12,407	3,062	15,469
Capital outlay	-	-	-
Other	1,890	-	1,890
Depreciation	-	-	-
Total operating expenses	<u>58,400</u>	<u>13,317</u>	<u>71,717</u>
Operating income (loss)	<u>(4,066)</u>	<u>(1,794)</u>	<u>(5,860)</u>
Nonoperating revenues (expenses):			
Investment income	1,704	279	1,983
Total nonoperating revenue (expenses)	<u>1,704</u>	<u>279</u>	<u>1,983</u>
Income (loss) before contributions, gains/losses, and transfers	(2,362)	(1,515)	(3,877)
Capital contributions	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Gain (Loss) on disposal of capital assets	-	-	-
Change in net assets	<u>(2,362)</u>	<u>(1,515)</u>	<u>(3,877)</u>
Fund Balance - beginning	92,873	30,925	123,798
Fund Balance - ending	90,511	29,410	119,921
Adjustment to reflect internal service charge activity related to the Enterprise Fund	(3,500)	-	(3,500)
Change in net assets - business-type activities	<u>\$ 87,011</u>	<u>\$ 29,410</u>	<u>\$ 116,421</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005**

**BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS**

	Registration	Teacher's Institute	Total
Cash flows from operating activities:			
Receipts from customers	\$ 58,447	\$ 10,780	\$ 69,227
Receipts from other funds for goods and services provided	-	743	743
Payments to suppliers and providers for goods and services	(31,681)	(10,289)	(41,970)
Payments to employees	(25,200)	(3,028)	(28,228)
Payments to other funds for goods and services	-	-	-
Net cash provided by (used for) operating activities	<u>1,566</u>	<u>(1,794)</u>	<u>(228)</u>
Cash flows from noncapital financing activities:			
Cash transfers from other funds	-	-	-
Cash transfers to other funds	-	-	-
Net cash provided by (used for ) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Cash contributions for capital purposes	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received on investments	1,704	279	1,983
Net cash provided by (used for) investing activities	<u>1,704</u>	<u>279</u>	<u>1,983</u>
Net increase (decrease) in cash and cash equivalents	3,270	(1,515)	1,755
Cash and cash equivalents - beginning	<u>95,559</u>	<u>30,925</u>	<u>126,484</u>
Cash and cash equivalents - ending	<u>\$ 98,829</u>	<u>\$ 29,410</u>	<u>\$ 128,239</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (4,066)	\$ (1,794)	\$ (5,860)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Change in assets and liabilities:			
Decrease in accounts receivable	88	-	88
Increase in deferred revenue	4,025	-	4,025
Increase in accounts payable	1,519	-	1,519
Net cash provided by (used for) operating activities	<u>\$ 1,566</u>	<u>\$ (1,794)</u>	<u>\$ (228)</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2005**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 547,601
Due from other governments	189,823
Investments	<u>1,000,000</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,737,424</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 3,110
Accrued wages and benefits	5,191
Due to other governments	<u>1,729,123</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 1,737,424</u></u>

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

## **NOTES TO FINANCIAL STATEMENTS**

**STATE OF ILLINOIS**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2005**

**NOTE 1: SUMMARY OF ACCOUNTING POLICIES**

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

A. Financial Reporting Entity

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

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

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

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

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**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

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

A. Financial Reporting Entity (Continued)

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

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

For the period ended June 30, 2005, the Regional Office of Education applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #45. Such activities are reported as a single major fund (Education Fund).

B. Scope of the Reporting Entity

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

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

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

See independent auditors' report.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

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

C. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the Regional Office of Education #45. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by grant revenues and intergovernmental revenues, are reported separately from business-type activities, which would generally rely to a significant extent on fees and charges for support.

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

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

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

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

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

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

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

See independent auditors' report.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

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

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

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

*Governmental Fund Types*

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

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

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

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

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

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

Regional Safe Schools – This account is used for the grant monies received for, and the payment of, local, regional and statewide training opportunities and professional development for faculty and staff.

Adult Education Supplemental Funding – Family Visitation Center – State Farm Insurance has an employee incentive program encouraging community education activities. One of their agents assisted in tutoring GED students in Chester. State Farm Insurance awarded the agent \$500 for his time, which the agent then donated to the Adult Education and Literacy Program to be used for students with insufficient funds to pay the \$35 GED examination fee. Students most in need are referred from other social service agencies.

See independent auditors' report.

**STATE OF ILLINOIS  
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MONROE AND RANDOLPH COUNTIES  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

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

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

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

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

Secretary of State Community Literacy Program – IL FACTS – The purpose of the grant is to create a database from quarterly, midterm and year-end data sent in from all the literacy programs across the state and to provide compilation reports to the Secretary of State’s Office as well as to each literacy program in the State.

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

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

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

See independent auditors’ report.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

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

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

Leaders in Technology Enhanced Schools – Madison County Regional Office of Education is the Fiscal Agent for the Area V Learning Technology Hub. This federal grant program offers instruction and equipment for schools chosen from within Monroe and Randolph Counties. The Regional Office is reimbursed for instructional days and makes arrangements for the purchase of equipment that becomes property of the participating school districts.

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

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

Standards Aligned Classroom Project Extension – This grant was for workshops provided to assist teams of teachers in aligning their curriculum with the Illinois Learning Standards.

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

State Substance Abuse Violence Prevention – This is used to support the wellness coordinators in their effort to prevent violence and substance abuse in Monroe/Randolph County districts.

We the People: Citizen Project – This program promotes competent and responsible participation in State and local government by actively engaging students in learning how to monitor and influence public policy and encourages civic participation among students, their parents, and members of the community.

Title II Teacher Quality System of Support – The purpose of the grant is to support the creation and implementation of professional activities of schools and district personnel that are in "Improvement Status".

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

See independent auditors' report.

**STATE OF ILLINOIS  
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NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

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

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

Area V Illinois Math and Science Partnership Grant – This grant was shared with Regional Office of Education #45 from Area V, which consists of the seven neighboring Regional Offices of Education. The grant specifically targets math and science teachers with content specific professional development. Although some pedagogical issues are addressed, the primary focus is on improvement of teacher quality by providing math and/or science content training.

Illinois Math and Science Partnership Grant – St. Clair County Regional Office of Education is the fiscal agent for this grant. The purpose of the grant was to target math and science teachers with content specific professional development. Although there may have been some overlap in timing, these dollars were available for a different group of teachers from those involved with earlier programs.

Title I - Reading First Part B SEA Funds – These funds are used for providing reading academies to teachers, coaches, and other personnel to improve reading achievements and implement programs and strategies.

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

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

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

- *Non-major funds* include the following:

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

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

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

See independent auditors’ report.

**STATE OF ILLINOIS  
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MONROE AND RANDOLPH COUNTIES  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

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

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

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

*Proprietary Fund Types*

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

- *Major Funds.*

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

General fund (as described above)

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

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

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

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

See independent auditors' report.

**STATE OF ILLINOIS**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2005**

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

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

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

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

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

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

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

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

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

See independent auditors' report.

**STATE OF ILLINOIS  
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NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

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

E. Budgets and Budgetary Accounting

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

The Regional Office of Education acts as the administrative agent for certain grant programs most of which are accounted for within the education fund. These programs have separate budgets and are required to be reported to the Illinois State Board of Education. Comparisons of budgeted and actual results for various programs are presented as supplementary information: Even Start, Adult Education – State Performance, Adult Education – State Basic, Adult Education – Public Assistance, Truants Alternative/Optional Education, Adult Education – Federal Basic, Title IV – Community Service, Regional Safe Schools, Secretary of State – Community Literacy Program – IL Facts, Secretary of State – Community Literacy Program – LASER, Title IV – Safe and Drug Free School - Formula, Title II – Teacher Quality, Title V – Innovative Programs, State Standards and Assessment System of Support, Standards Aligned Classroom Project, ROE/ISC Operations, Title I - Reading First Part B SEA Funds, Standards Aligned Classroom Project Extension, Title II Teacher Quality System of Support, Title I School Improvement System of Support, Area V Illinois Math and Science Partnership, and Illinois Math and Science Partnership.

F. Cash Flows

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

G. Interfund Receivable and Payable

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

See independent auditors' report.

**STATE OF ILLINOIS  
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MONROE AND RANDOLPH COUNTIES  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

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

H. Compensated Absences

Currently, all Regional Office employees accrue vacation hours for each contract year of their employment, and an accrual for this liability has been provided. The employees are unable to accumulate vacation time if the employees choose to or are unable to use all of their vacation hours by the subsequent year-end. Previously, vacation pay and sick pay were considered expenditures in the year paid.

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

I. Estimates

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

J. Capital Assets

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

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

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

Equipment	5-10 years
Office equipment	3-7 years

See independent auditors' report.

**STATE OF ILLINOIS  
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 MONROE AND RANDOLPH COUNTIES  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2005**

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

K. Fund equity

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

**NOTE 2: CASH AND INVESTMENTS**

Cash and investments as of June 30, 2005 are classified in the financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 636,205
Fiduciary funds (agency funds):	
Cash and investments	<u>1,547,601</u>
Total cash and investments	<u>\$ 2,183,806</u>

Cash and investments as of June 30, 2005 consist of the following:

Deposits with financial institutions	\$ 1,148,170
Investments	<u>1,035,636</u>
Total cash and investments	<u>\$ 2,183,806</u>

A. Cash Deposits

At June 30, 2005, the Regional Office of Education had the following depository accounts. The Regional Office of Education does not have a deposit policy.

Insured	\$ 301,740
Collateralized	
Collateral held by pledging bank's trust department in the Regional Office of Education's name	400,569
Uninsured and uncollateralized (deposits not held in Regional Office of Education's name)	<u>445,861</u>
Total deposits	<u>\$ 1,148,170</u>

See independent auditors' report.

**STATE OF ILLINOIS  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 2: CASH AND INVESTMENTS (continued)**

A. Cash Deposits (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Regional Office of Education’s deposits may not be returned to it. The Regional Office of Education does not have a deposit policy for custodial credit risk but follows the Public Funds Investment Act (30 ILCS 235/2 and 6); and Section 8-7 of the School Code. At June 30, 2005, \$445,861 of an agency fund was exposed to custodial credit risk due to an inadvertent oversight. Between July 1, 2004 and June 14, 2005 and subsequent to July 8, 2005, the agency fund deposits were collateralized by FHLB and FHLMC securities. Between June 15, 2005 and July 8, 2005 an agency fund deposits were uncollateralized.

B. Investments

As of June 30, 2005 the Regional Office of Education had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificate of Deposit	5/30/2006	\$ 12,254
Certificate of Deposit	1/30/2006	10,000
Certificate of Deposit	9/11/2005	10,000
Certificate of Deposit	11/30/2006	3,382
Certificate of Deposit	8/31/2006	<u>1,000,000</u>
		<u>\$1,035,636</u>

Interest Rate Risk

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

Credit Risk

The Regional Office of Education is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6); and Section 8-7 of the School Code. The Regional Office of Education has no investment policy that would further limit its investment choices. As of June 30, 2005 the Regional Office of Education was in compliance with these guidelines.

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**STATE OF ILLINOIS**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2005**

**NOTE 2: CASH AND INVESTMENTS (continued)**

B. Investments (continued)

Custodial Credit Risk

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

As of June 30, 2005 the government-wide and agency fund investments were secured by federal depository insurance of \$3,382. The government-wide remaining investments were collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education. Between June 25, 2005 and July 8, 2005 an agency fund investment (\$1,000,000), which is not held in the Regional Office of Education's name, was exposed to custodial credit risk due to an inadvertent oversight. Between July 1, 2004 and June 14, 2005 and subsequent to July 8, 2005, the agency fund investment was collateralized by FHLB and FHLMC securities. Between June 15, 2005 and July 8, 2005 the agency fund investment was uncollateralized.

Concentration of Credit Risk

The Regional Office of Education places no limit on the amount invested in any one issuer. All of the Regional Office of Education's investments, including the agency fund, are in Certificates of Deposits with First Bank (\$32,254), Chester National Bank (\$3,382), and First National Bank of Waterloo (\$1,000,000).

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3: CAPITAL ASSETS**

Governmental Activities

The Regional Office of Education #45's management has elected to capitalize only assets individually costing \$500 or more for reporting purposes.

Capital asset activity for fiscal year 2005 was as follows:

	<u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2005</u>
Assets being depreciated:				
Equipment	\$ 346,026	\$ 10,594	\$ 7,431	\$ 349,189
Less Accumulated Depreciation:	\$ 216,175	\$ 35,684	\$ 6,966	\$ 244,893
Governmental activity capital assets, net	<u>\$ 129,851</u>	<u>\$ (25,090)</u>	<u>\$ 465</u>	<u>\$ 104,296</u>

At June 30, 2005, assets of approximately \$259,474 included above are assets funded from federal and State grants administered by the Regional Office of Education #45.

Business-type activities – Enterprise Fund

	<u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2005</u>
Equipment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The enterprise funds utilize certain governmental funds' equipment and facilities in its operation. Accordingly, the enterprise funds were levied an internal service charge of \$3,500 for facilities and equipment usage during fiscal year 2005.

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NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

**NOTE 4: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund balances have resulted from short-term borrowings and interfund charges not yet reimbursed as of the end of the reporting period. The composition of the interfund balances at June 30, 2005 is as follows:

<u>Fund</u>	<u>Receivable Fund/Account</u>	<u>Payable Fund/Account</u>
General		
Office Account - Chester Office	\$ 14,139	\$
Office Account - Waterloo Office	32,403	
Education Fund		
Chester Office		
Secretary of State Community Literacy -- LASER		7,995
Adult Education – State Basic		2,698
Even Start – Sparta		1,424
Adult Education – State Performance		2,022
Waterloo Office		
Illinois Math & Science Partnership		3,596
State Standards & Assessment System of Support		5,317
Title II – Teacher Quality System of Support		309
Title I – School Improvement System of Support		15,681
Totals - governmental	\$ 46,542	\$ 39,042
Enterprise funds	-	7,500
	\$ 46,542	\$ 46,542

Transfers between governmental funds reflect the use of changes in funding sources.

Interfund transfers consist of the following:

<u>Transfers-out</u>	<u>Transfers-in</u>	<u>Governmental Funds</u>
Waterloo Office Account	Chester Office Account	\$ 3,532
County Account (Waterloo)	Waterloo Office Account	4,000
		\$ 7,532

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**STATE OF ILLINOIS  
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NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

**NOTE 5: DUE TO/FROM OTHER GOVERNMENTAL UNITS**

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

STATE:	
State of Illinois	\$ 100
Illinois Community College Board	5,745
Illinois State Board of Education	<u>3,962</u>
	<u>\$ 9,807</u>
OTHER:	
St. Clair County	33,764
Bi-County Health Department	600
Local sources	<u>6,427</u>
	<u>40,791</u>
Totals	<u>\$ 50,598</u>
AGENCY FUNDS:	
Illinois State Board of Education	\$ 189,823
Totals	<u>\$ 189,823</u>

The due (to) consist of the following:

AGENCY FUNDS	
State of Illinois	\$ 1,729,123
Totals	<u>\$ 1,729,123</u>

**NOTE 6: RETIREMENT FUND COMMITMENTS**

The Regional Office participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards, are members of IMRF. The Regional Office's payroll for the year ended June 30, 2005 was \$692,274; of which \$337,075 was reported to TRS and \$284,869 was reported to IMRF.

A. Teachers' Retirement System of the State of Illinois

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

See independent auditors' report.

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6: RETIREMENT FUND COMMITMENTS (CONTINUED)**

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

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2005 was 9 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer.

In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.5 percent during the year ended June 30, 2005 and the member. THIS Fund health insurance contribution was 0.75 percent.

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

- **On-behalf contribution.** The State of Illinois makes employer pension contributions on behalf of the Regional Office. For the year ended June 30, 2005, State of Illinois contributions were based on 11.76 percent of creditable earnings, and the Regional Office recognized revenues and expenditures of \$58,574 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2004 and June 30, 2003, the State of Illinois contribution rates as percentages of creditable earnings were 13.98 percent (\$69,603) and 13.01 percent (\$75,835), respectively.

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

- **2.2 formula contributions.** For the years ended June 30, 2005, and June 30, 2004, the employer contributed 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the years ending June 30, 2005, and June 30, 2004 were \$1,955 and \$1,954, respectively.

For the year ended June 30, 2003, part of the employer's 2.2 formula contribution (0.58 percent of pay) was reduced as a result of a new employer THIS Fund contribution for retiree health insurance (0.4 percent of pay). The remaining 0.18 percent was submitted to TRS. Contributions for the year ended June 30, 2003 were \$759.

- **Federal and trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office, there is a statutory requirement for the Regional Office to pay an employer pension contribution from those funds. For the three years ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2005, salaries totaling \$163,451 were paid from federal and trust funds that required employer contributions of \$17,163. For the years ended June 30, 2004 and June 30, 2003, required Regional Office contributions were \$18,098 and \$19,256, respectively.

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6: RETIREMENT FUND COMMITMENTS (CONTINUED)**

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

- **Early Retirement Option (ERO).** The Regional Office is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option. The payments vary depending on the age and salary of the member. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100 percent of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the year ending June 30, 2005, the Regional Office paid no employer contributions under the Early Retirement Option.

**Changes**

Public Act 94-0004, which was signed into law on June 1, 2005, contained a number of provisions affecting employer and active member contributions. Most will not be effective or impact financial statements until the year ending June 30, 2006. The changes are summarized below:

- **Active Member Contributions.** The active member contribution rate will increase from the current 9.0 percent of creditable earnings to 9.4 percent beginning July 1, 2005. The increase is to help cover the cost of the new ERO program and will be refunded if the member does not retire under ERO.
- **State/federal contributions.** Under a policy adopted by the Board of Trustees before Public Act 94-0004 was enacted, the employer contribution rate for employees paid from federal funds will be the same as the rate paid by the state. Under Public Act 94-0004, the state contribution rate in FY 2006 was reduced to 7.06 percent of pay. Therefore, the employer contribution rate for employees paid from federal funds in FY 2006 will be 7.06 percent, a decrease from the current 10.50 percent.
- **New employer contributions**  
**Salary increases over 6 percent**  
If employers grant salary increases in excess of 6 percent that are used in final average salary calculations, the employer will make a lump-sum contribution to TRS to cover the cost of the portion of the benefit due to salary increases over 6 percent. Public Act 94-0004 exempts salary increases granted under contracts and collective bargaining agreements in effect on June 1, 2005.
- **Sick leave in excess of normal allotment.** If employers grant sick leave near retirement in excess of the normal annual allotment and the sick leave is counted as service credit, the employer will make a lump-sum contribution to TRS. The act exempts sick leave granted under contracts and collective bargaining agreements in effect on June 1, 2005.
- **Early Retirement Option.** In addition to changes described above, the following changes were made to ERO:
  - Both active members and employer ERO contribution rates are increased. For employers, the maximum contribution increases from the current 100 percent of the member's highest salary used in the calculation of final average salary to 117.5 percent.

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6: RETIREMENT FUND COMMITMENTS (CONTINUED)**

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

• **Early Retirement Option (continued).**

- The waiver of member and employer ERO contributions when the member has 34 years of service ended with the program that expired June 30, 2005.
- A "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007.
- Public Act 94-0004 provides for a review of the member and employer ERO contributions every five years to ensure that the program is revenue neutral.

**Further information**

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2004. The report for the year ended June 30, 2005 is expected to be available in late 2005. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at [www.trs.illinois.gov](http://www.trs.illinois.gov).

B. Illinois Municipal Retirement Fund

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

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

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Regional Office is required to contribute at an actuarially determined rate. The Regional Office rate for calendar year 2004 was 2.19 percent of payroll. The Regional Office contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2004 was 5 years.

See independent auditors' report.

**STATE OF ILLINOIS  
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NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

**NOTE 6: RETIREMENT FUND COMMITMENTS (CONTINUED)**

B. Illinois Municipal Retirement Fund(continued)

For December 31, 2004, the Regional Office's annual pension cost of \$6,434 was equal to the Regional Office's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

*Trend Information*

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/04	\$ 6,434	100%	\$ 0
12/31/03	2,806	100%	0
12/31/02	2,653	100%	0
12/31/01	23,995	100%	0
12/31/00	12,735	100%	0
12/31/99	36,517	100%	0
12/31/98	29,319	100%	0
12/31/97	30,292	100%	0
12/31/96	24,244	100%	0
12/31/95	24,531	100%	0

*Schedule of Funding Progress*

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

C. Social Security

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees are covered under Social Security. This Regional Office paid \$17,970 the total required contribution for the current fiscal year.

See independent auditors' report.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

**NOTE 7: COMMITMENTS AND CONTINGENCIES**

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

In addition, the fiscal year June 30, 1996 audit report on the financial statements of the Regional Office has not yet been finalized. It is reasonably possible that liabilities arising from fiscal year June 30, 1996 exist and are not recorded on the June 30, 2005 financial statements.

Significant losses are covered by commercial insurance for all major programs: property, liability, and workman's compensation. During the year ended June 30, 2005 there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**NOTE 8: DISTRIBUTIVE FUND INTEREST**

A written agreement between the region's school boards, which receive funds through the Regional Office of Education, and the Regional Office of Education, provide for the retention of interest earned on the State Distributive Fund checking account by the Regional Superintendent to be used for the benefit of all of the districts in the region. During the year the distributive fund earned interest of \$346. At June 30, 2005 all accumulated interest earned had been distributed.

**NOTE 9: ON-BEHALF PAYMENTS**

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

Regional Superintendent Salary	\$ 84,737
Assistant Regional Superintendent Salary	76,263
Regional Superintendent Fringe Benefit (includes all State paid insurance)	16,169
Assistant Regional Superintendent Fringe Benefit (includes all State paid insurance)	9,564
Teacher's Retirement System	<u>58,574</u>
Total	<u>\$ 245,307</u>

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

**NOTE 10: NEW REPORTING STANDARD**

The Regional Office of Education No. 45 adopted GASB 40, *Deposit and Investment Risk Disclosures*, in the current year.

See independent auditors' report.

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

**STATE OF ILLINOIS  
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MONROE AND RANDOLPH COUNTIES  
For the Year Ended June 30, 2005**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) ---Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/04	967,359	1,034,851	67,492	93.48%	293,785	22.97%
12/31/03	1,023,918	1,020,797	(3,121)	100.31%	308,398	0.00%
12/31/02	1,128,598	1,012,448	(116,150)	111.47%	294,746	0.00%
12/31/01	1,125,697	914,157	(211,540)	123.14%	301,069	0.00%
12/31/00	1,008,886	782,926	(225,960)	128.86%	326,551	0.00%
12/31/99	889,654	840,017	(49,637)	105.91%	465,192	0.00%
12/31/98	712,899	686,746	(26,153)	103.81%	384,263	0.00%
12/31/97	585,015	601,124	16,109	97.32%	363,907	4.43%
12/31/96	505,382	548,890	43,508	92.07%	343,880	12.65%
12/31/95	497,788	548,065	50,277	90.83%	357,598	14.06%

On a market value basis, the actuarial value of assets as of December 31, 2004 is \$969,765. On a market basis, the funded ratio would be 93.71%.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2004 are based on the 1999-2001 Experience Study.

The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For Regular members, fewer normal and early retirements are expected to occur.

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

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**STATE OF ILLINOIS**  
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**MONROE AND RANDOLPH COUNTIES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2005**

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

**Major Funds**

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

**Nonmajor Funds**

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
JUNE 30, 2005**

	Office Account		ROE/ISC Operations	County Account	Total
	Chester Office	Waterloo Office	Waterloo Office	Waterloo Office	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 92,095	\$ 152,513	\$ -	\$ 32,911	\$ 277,519
Investments	-	35,636	-	-	35,636
Internal balances	14,139	32,403	-	-	46,542
Due from other governments					
State	-	-	-	-	-
Other	-	6,427	-	-	6,427
Prepaid expenses	-	4,975	-	-	4,975
<b>TOTAL ASSETS</b>	<b>\$ 106,234</b>	<b>\$ 231,954</b>	<b>\$ -</b>	<b>\$ 32,911</b>	<b>\$ 371,099</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 2,363	\$ 2,363
Accrued wages and benefits	15,477	9,288	-	-	24,765
Internal balances	-	-	-	-	-
Due to other governments					
State	-	-	-	-	-
Deferred revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>15,477</b>	<b>9,288</b>	<b>-</b>	<b>2,363</b>	<b>27,128</b>
<b>FUND BALANCE</b>					
Reserved for:					
Encumbrances	-	-	-	-	-
Unreserved, reported in:					
General fund	90,757	222,666	-	30,548	343,971
<b>Total fund balance</b>	<b>90,757</b>	<b>222,666</b>	<b>-</b>	<b>30,548</b>	<b>343,971</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 106,234</b>	<b>\$ 231,954</b>	<b>\$ -</b>	<b>\$ 32,911</b>	<b>\$ 371,099</b>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2005**

	Office Account		ROE/ISC Operations	County Account	Total
	Chester Office	Waterloo Office	Waterloo Office	Waterloo Office	
<b>Revenues</b>					
Local sources	\$ 3,556	\$ 85,224	\$ -	\$ 160,484	\$ 249,264
State sources	-	-	59,913	-	59,913
State sources - payments made on behalf of regional office	-	245,307	-	-	245,307
Interest income	110	2,518	123	206	2,957
Total revenues	<u>3,666</u>	<u>333,049</u>	<u>60,036</u>	<u>160,690</u>	<u>557,441</u>
<b>Expenditures</b>					
Salaries	-	34,070	35,299	76,044	145,413
Employee benefits	-	7,735	8,929	23,560	40,224
Purchased services	2,135	36,960	13,971	43,611	96,677
Supplies and materials	2,175	3,149	1,714	3,524	10,562
Capital outlay	-	10,594	-	-	10,594
Other	12	-	123	284	419
Payments made by state on behalf of regional office	-	245,307	-	-	245,307
Total expenditures	<u>4,322</u>	<u>337,815</u>	<u>60,036</u>	<u>147,023</u>	<u>549,196</u>
Excess (deficiency) of revenues over expenditures	<u>(656)</u>	<u>(4,766)</u>	<u>-</u>	<u>13,667</u>	<u>8,245</u>
<b>Other financing sources (uses)</b>					
Transfers in	3,532	4,000	-	-	7,532
Transfers out	-	(3,532)	-	(4,000)	(7,532)
Net other sources and uses of financial resources	<u>3,532</u>	<u>468</u>	<u>-</u>	<u>(4,000)</u>	<u>-</u>
Net change in fund balances	2,876	(4,298)	-	9,667	8,245
Fund balance - beginning	<u>87,881</u>	<u>226,964</u>	<u>-</u>	<u>20,881</u>	<u>335,726</u>
Fund balance - ending	<u>\$ 90,757</u>	<u>\$ 222,666</u>	<u>\$ -</u>	<u>\$ 30,548</u>	<u>\$ 343,971</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND ACCOUNTS  
WATERLOO OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**ROE/ISC Operations**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
State sources	\$ 59,913	\$ 59,913	\$ 59,913	\$ -
Interest income	-	-	123	123
Total revenues	<u>59,913</u>	<u>59,913</u>	<u>60,036</u>	<u>123</u>
Expenditures				
Salaries	35,040	35,040	35,299	259
Employee benefits	9,762	9,762	8,929	(833)
Purchased services	12,628	12,628	13,971	1,343
Supplies and materials	2,008	2,008	1,714	(294)
Capital outlay	-	-	-	-
Other	475	475	123	(352)
Total expenditures	<u>59,913</u>	<u>59,913</u>	<u>60,036</u>	<u>123</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balances	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2005**

	Education Fund		Total
	Chester Office	Waterloo Office	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 160,104	\$ 17,660	\$ 177,764
Investments	-	-	-
Internal balances	-	-	-
Due from other governments			
State	9,707	-	9,707
Other	7,840	26,524	34,364
Prepaid expenses	-	303	303
<b>TOTAL ASSETS</b>	<b>\$ 177,651</b>	<b>\$ 44,487</b>	<b>\$ 222,138</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-
Internal balances	14,139	24,903	39,042
Due to other governments			
State	-	-	-
Deferred revenue	1,238	3,099	4,337
Total liabilities	15,377	28,002	43,379
<b>FUND BALANCE</b>			
Reserved for:			
Encumbrances	-	-	-
Restricted	162,274	16,485	178,759
Total fund balance	162,274	16,485	178,759
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 177,651</b>	<b>\$ 44,487</b>	<b>\$ 222,138</b>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2005**

	Education Fund		Total
	Chester Office	Waterloo Office	
Revenues			
Local sources	\$ 15,466	\$ 7,336	\$ 22,802
State sources	374,545	9,923	384,468
Federal sources	254,601	101,412	356,013
Interest income	264	427	691
Total revenues	<u>644,876</u>	<u>119,098</u>	<u>763,974</u>
Expenditures			
Salaries	440,213	76,720	516,933
Employee benefits	77,637	14,170	91,807
Purchased services	86,682	37,780	124,462
Supplies and materials	24,260	15,332	39,592
Capital outlay	-	-	-
Other	152	901	1,053
Total expenditures	<u>628,944</u>	<u>144,903</u>	<u>773,847</u>
Excess (deficiency) of revenues over expenditures	15,932	(25,805)	(9,873)
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	15,932	(25,805)	(9,873)
Fund balance - beginning	<u>146,342</u>	<u>42,290</u>	<u>188,632</u>
Fund balance - ending	<u>\$ 162,274</u>	<u>\$ 16,485</u>	<u>\$ 178,759</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
CHESTER OFFICE  
June 30, 2005**

	Adult Education Programs	Adult Education Supplemental Funding - Family Visitation Center	Even Start (FY 2004)	Even Start (FY 2005)	Regional Safe Schools
<b>ASSETS</b>					
Cash and cash equivalents	\$ 203	\$ 113	\$ -	\$ -	\$ 159,623
Investments	-	-	-	-	-
Internal balances	-	-	-	-	-
Due from other governments					
State	5,745	-	-	1,424	2,538
Other	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 5,948</b>	<b>\$ 113</b>	<b>-</b>	<b>\$ 1,424</b>	<b>\$ 162,161</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-
Internal balances	4,720	-	-	1,424	-
Due to other governments					
State	-	-	-	-	-
Deferred revenue	1,228	-	-	-	-
Total liabilities	<b>5,948</b>	<b>-</b>	<b>-</b>	<b>1,424</b>	<b>-</b>
<b>FUND BALANCE</b>					
Reserved for:					
Encumbrances	-	-	-	-	-
Restricted	-	113	-	-	162,161
Total fund balance	<b>-</b>	<b>113</b>	<b>-</b>	<b>-</b>	<b>162,161</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 5,948</b>	<b>\$ 113</b>	<b>-</b>	<b>\$ 1,424</b>	<b>\$ 162,161</b>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
CHESTER OFFICE  
JUNE 30, 2005**

	Secretary of State Community Literacy Program - ILFacts	Secretary of State Community Literacy Program - LASER	Truants Alternative/ Optional Education	Title IV Illinois Community Service	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 10	\$ 155	\$ -	\$ -	\$ 160,104
Investments	-	-	-	-	-
Internal balances	-	-	-	-	-
Due from other governments					
State	-	-	-	-	9,707
Other	-	7,840	-	-	7,840
Prepaid Expenses	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 10</u>	<u>\$ 7,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,651</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-
Internal balances	-	7,995	-	-	14,139
Due to other governments					
State	-	-	-	-	-
Deferred revenue	10	-	-	-	1,238
Total liabilities	<u>10</u>	<u>7,995</u>	<u>-</u>	<u>-</u>	<u>15,377</u>
<b>FUND BALANCE</b>					
Reserved for:					
Encumbrances	-	-	-	-	-
Restricted	-	-	-	-	162,274
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,274</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 10</u>	<u>\$ 7,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,651</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

	Adult Education Programs	Adult Education Supplemental Funding - Family Visitation Center	Even Start (FY 2004)	Even Start (FY 2005)	Regional Safe Schools
<b>Revenues</b>					
Local sources	\$ 112	\$ -	\$ -	\$ -	\$ 15,354
State sources	68,898	-	-	-	169,026
Federal sources	56,898	-	179	160,000	35,364
Interest income	4	-	-	3	218
Total revenues	<u>125,912</u>	<u>-</u>	<u>179</u>	<u>160,003</u>	<u>219,962</u>
<b>Expenditures</b>					
Salaries	76,896	-	-	113,535	145,680
Employee benefits	12,297	-	-	25,543	21,119
Purchased services	23,737	-	-	20,398	29,211
Supplies and materials	12,977	48	179	524	7,867
Capital outlay	-	-	-	-	-
Other	5	-	-	3	105
Total expenditures	<u>125,912</u>	<u>48</u>	<u>179</u>	<u>160,003</u>	<u>203,982</u>
Excess (deficiency) of revenues over expenditures	-	(48)	-	-	15,980
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(48)	-	-	15,980
Fund Balance - beginning	<u>-</u>	<u>161</u>	<u>-</u>	<u>-</u>	<u>146,181</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,161</u>

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

STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005

	Secretary of State Community Literacy Program - ILFacts	Secretary of State Community Literacy Program - LASER	Truants Alternative/ Optional Education	Title IV - Community Service (FY 2004)	Total
<b>Revenues</b>					
Local sources	\$ -	\$ -	-	\$ -	\$ 15,466
State sources	72,000	30,000	34,621	-	374,545
Federal sources	-	-	-	2,160	254,601
Interest income	38	-	1	-	264
Total revenues	<u>72,038</u>	<u>30,000</u>	<u>34,622</u>	<u>2,160</u>	<u>644,876</u>
<b>Expenditures</b>					
Salaries	51,662	25,015	27,425	-	440,213
Employee benefits	13,395	4,175	1,108	-	77,637
Purchased services	6,107	810	5,988	431	86,682
Supplies and materials	836	-	100	1,729	24,260
Capital outlay	-	-	-	-	-
Other	38	-	1	-	152
Total expenditures	<u>72,038</u>	<u>30,000</u>	<u>34,622</u>	<u>2,160</u>	<u>628,944</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	15,932
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	15,932
Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,342</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,274</u>

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

**STATE OF ILLINOIS**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
**ADULT EDUCATION PROGRAMS**  
**CHESTER OFFICE**  
**June 30, 2005**

	Federal Basic (FY 2005)	Public Assistance (FY 2005)	State Basic (FY 2005)	State Basic (FY 2004)	State Performance (FY 2005)	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 203	\$ -	\$ -	\$ 203
Investments	-	-	-	-	-	-
Internal balances	-	-	-	-	-	-
Due from other governments:						
State	-	-	2,495	-	3,250	5,745
Other	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,698</u>	<u>\$ -</u>	<u>\$ 3,250</u>	<u>\$ 5,948</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-	-
Internal balances	-	-	2,698	-	2,022	4,720
Due to other governments						
State	-	-	-	-	-	-
Deferred revenue	-	-	-	-	1,228	1,228
Total liabilities	<u>-</u>	<u>-</u>	<u>2,698</u>	<u>-</u>	<u>3,250</u>	<u>5,948</u>
<b>FUND BALANCE</b>						
Reserved for:						
Encumbrances	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,698</u>	<u>\$ -</u>	<u>\$ 3,250</u>	<u>\$ 5,948</u>

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

**STATE OF ILLINOIS**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**EDUCATION FUND ACCOUNTS**  
**ADULT EDUCATION PROGRAMS**  
**CHESTER OFFICE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	Federal Basic (FY 2005)	Public Assistance (FY 2005)	State Basic (FY 2005)	State Basic (FY 2004)	State Performance (FY 2005)	Total
<b>Revenues</b>						
Local sources	\$ -	\$ -	\$ -	\$ 112	\$ -	\$ 112
State sources	-	2,620	54,905	-	11,373	68,898
Federal sources	54,876	-	-	-	2,022	56,898
Interest income	-	-	3	-	1	4
<b>Total revenues</b>	<u>54,876</u>	<u>2,620</u>	<u>54,908</u>	<u>112</u>	<u>13,396</u>	<u>125,912</u>
<b>Expenditures</b>						
Salaries	35,994	1,784	35,165	-	3,953	76,896
Employee benefits	7,053	45	5,099	-	100	12,297
Purchased services	5,819	628	10,572	-	6,718	23,737
Supplies and materials	6,010	163	4,068	112	2,624	12,977
Capital outlay	-	-	-	-	-	-
Other	-	-	4	-	1	5
<b>Total expenditures</b>	<u>54,876</u>	<u>2,620</u>	<u>54,908</u>	<u>112</u>	<u>13,396</u>	<u>125,912</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Net other sources and uses of financial resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	-	-	-	-	-	-
Fund Balance - beginning	-	-	-	-	-	-
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**Adult Education - Federal Basic (FY 2005)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal sources	\$ 54,876	\$ 54,876	\$ 54,876	\$ -
Interest income	-	-	-	-
Total revenues	<u>54,876</u>	<u>54,876</u>	<u>54,876</u>	<u>-</u>
Expenditures				
Salaries	35,919	35,919	35,994	75
Employee benefits	7,041	7,041	7,053	12
Purchased services	5,934	5,934	5,819	(115)
Supplies and materials	5,982	5,982	6,010	28
Other	-	-	-	-
Total expneditures	<u>54,876</u>	<u>54,876</u>	<u>54,876</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**Adult Education - Public Assistance (FY 2005)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
State sources	\$ 2,620	\$ 2,620	\$ 2,620	\$ -
Interest income	-	-	-	-
Total revenues	<u>2,620</u>	<u>2,620</u>	<u>2,620</u>	<u>-</u>
Expenditures				
Salaries	1,800	1,800	1,784	(16)
Employee benefits	43	43	45	2
Purchased services	527	527	628	101
Supplies and materials	250	250	163	(87)
Other	-	-	-	-
Total expenditures	<u>2,620</u>	<u>2,620</u>	<u>2,620</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	-	-	-	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**CHESTER OFFICE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**Adult Education - State Basic (FY 2005)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	54,905	54,905	54,905	-
Interest income	-	-	3	3
Total revenues	<u>54,905</u>	<u>54,905</u>	<u>54,908</u>	<u>3</u>
Expenditures				
Salaries	35,221	35,221	35,165	(56)
Employee benefits	5,019	5,019	5,099	80
Purchased services	10,522	10,522	10,572	50
Supplies and materials	4,143	4,143	4,068	(75)
Other	-	-	4	4
Total expenditures	<u>54,905</u>	<u>54,905</u>	<u>54,908</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**Adult Education - State Basic (FY 2004)**

	Budgeted Amounts		July 1, 2003 - June 30, 2004 Budgetary Basis Actual	July 1, 2004 - June 30, 2005 Budgetary Basis Actual	Variance with Final Budget
	Original	Final			
<b>Revenues</b>					
Local sources	\$ -	\$ -	\$ -	\$ 112	\$ 112
State sources	52,562	52,562	52,562	-	-
Interest income	-	-	3	-	3
Total revenues	<u>52,562</u>	<u>52,562</u>	<u>52,565</u>	<u>112</u>	<u>115</u>
<b>Expenditures</b>					
Salaries	34,914	34,914	34,985	-	71
Employee benefits	5,108	5,108	5,104	-	(4)
Purchased services	10,554	10,554	10,516	-	(38)
Supplies and materials	1,986	1,986	1,957	112	83
Other	-	-	3	-	3
Total expenditures	<u>52,562</u>	<u>52,562</u>	<u>52,565</u>	<u>112</u>	<u>115</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	<u>\$ -</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	
Transfers out	-	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**Adult Education - State Performance (FY 2005)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
State sources	\$ 11,373	\$ 11,373	\$ 11,373	\$ -
Federal sources	-	-	2,022	2,022
Interest income	-	-	1	1
Total revenues	<u>11,373</u>	<u>11,373</u>	<u>13,396</u>	<u>2,023</u>
Expenditures				
Salaries	3,954	3,954	3,953	(1)
Employee benefits	122	122	100	(22)
Purchased services	6,729	6,729	6,718	(11)
Supplies and materials	568	568	2,624	2,056
Other	-	-	1	1
Total expenditures	<u>11,373</u>	<u>11,373</u>	<u>13,396</u>	<u>2,023</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**Even Start (FY 2005)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal sources	\$ 160,000	\$ 160,000	\$ 160,000	\$ -
Interest income	-	-	3	3
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>160,003</u>	<u>3</u>
Expenditures				
Salaries	111,791	111,791	113,535	1,744
Employee benefits	24,397	24,397	25,543	1,146
Purchased services	22,778	22,778	20,398	(2,380)
Supplies and materials	1,034	1,034	524	(510)
Other	-	-	3	3
Total expenditures	<u>160,000</u>	<u>160,000</u>	<u>160,003</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**Even Start (FY 2004)**

	Budgeted Amounts		July 1, 2003 - June 30, 2004	July 1, 2004 - June 30, 2005	Variance with Final Budget
	Original	Final	Budgetary Basis Actual	Budgetary Basis Actual	
Revenues					
Federal sources	\$ 180,000	\$ 180,000	\$ 179,821	\$ 179	\$ -
Interest income	-	-	3	-	3
Total revenues	<u>180,000</u>	<u>180,000</u>	<u>179,824</u>	<u>179</u>	<u>3</u>
Expenditures					
Salaries	110,180	110,180	110,817	-	637
Employee benefits	25,299	25,299	24,852	-	(447)
Purchased services	37,529	37,529	38,188	-	659
Supplies and materials	6,992	6,992	5,964	179	(849)
Other	-	-	3	-	3
Total expenditures	<u>180,000</u>	<u>180,000</u>	<u>179,824</u>	<u>179</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	<u>\$ -</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	
Transfers out	-	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	-	
Fund balance - beginning	-	-	-	-	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**Regional Safe Schools**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local sources	\$ 14,477	\$ 14,477	\$ 15,354	\$ 877
State sources	169,026	169,026	169,026	-
Federal sources	35,364	35,364	35,364	-
Interest income	-	-	218	218
Total revenues	<u>218,867</u>	<u>218,867</u>	<u>219,962</u>	<u>1,095</u>
Expenditures				
Salaries	146,030	146,030	145,680	(350)
Employee benefits	22,676	22,676	21,119	(1,557)
Purchased services	27,320	27,320	29,211	1,891
Supplies and materials	4,841	4,841	7,867	3,026
Capital outlay	18,000	18,000	-	(18,000)
Other	-	-	105	105
Total expenditures	<u>218,867</u>	<u>218,867</u>	<u>203,982</u>	<u>(14,885)</u>
Excess (deficiency) of revenues over expenditure:	-	-	15,980	<u>\$ 15,980</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	15,980	
Fund Balance, beginning	<u>-</u>	<u>-</u>	<u>146,181</u>	
Fund Balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,161</u>	

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

**STATE OF ILLINOIS**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**CHESTER OFFICE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**Secretary of State - Community Literacy Program - IL Facts**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
State sources	\$ 72,000	\$ 72,000	\$ 72,000	\$ -
Interest income	-	-	38	38
Total revenues	<u>72,000</u>	<u>72,000</u>	<u>72,038</u>	<u>38</u>
Expenditures				
Salaries	51,697	51,697	51,662	(35)
Employee benefits	14,439	14,439	13,395	(1,044)
Purchased services	1,830	1,830	6,107	4,277
Supplies and materials	870	870	836	(34)
Other	3,164	3,164	38	(3,126)
Total expenditures	<u>72,000</u>	<u>72,000</u>	<u>72,038</u>	<u>38</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other financing sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balances	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**Secretary of State - Community Literacy Program - LASER**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
State sources	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Interest income	-	-	-	-
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Expenditures				
Salaries	24,960	24,960	25,015	55
Employee benefits	4,729	4,729	4,175	(554)
Purchased services	-	-	810	810
Supplies & materials	-	-	-	-
Other	311	311	-	(311)
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**Truants Alternative/Optional Education (FY 2005)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
State sources	\$ 34,621	\$ 34,621	\$ 34,621	\$ -
Interest income	-	-	1	1
Total revenues	<u>34,621</u>	<u>34,621</u>	<u>34,622</u>	<u>1</u>
Expenditures				
Salaries	28,050	28,050	27,425	(625)
Employee benefits	951	951	1,108	157
Purchased services	5,401	5,401	5,988	587
Supplies and materials	219	219	100	(119)
Other	-	-	1	1
Total expenditures	<u>34,621</u>	<u>34,621</u>	<u>34,622</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**Title IV - Community Service (FY 2004)**

	Budgeted Amounts		July 1, 2003 - June 30, 2004	July 1, 2004 - June 30, 2005	Variance with Final Budget
	Original	Final	Budgetary Basis Actual	Budgetary Basis Actual	
<b>Revenues</b>					
Federal sources	\$ 11,994	\$ 11,994	\$ 9,834	\$ 2,160	\$ -
Interest income	-	-	-	-	-
Total revenues	<u>11,994</u>	<u>11,994</u>	<u>9,834</u>	<u>2,160</u>	<u>-</u>
<b>Expenditures</b>					
Salaries	6,550	6,550	6,574	-	24
Employee benefits	779	779	802	-	23
Purchased services	3,146	3,146	1,668	431	(1,047)
Supplies and materials	1,519	1,519	790	1,729	1,000
Other	-	-	-	-	-
Total expenditures	<u>11,994</u>	<u>11,994</u>	<u>9,834</u>	<u>2,160</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	<u>\$ -</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
WATERLOO OFFICE  
JUNE 30, 2005**

	State Standards & Assessment System of Support (FY 2005)	State Standards & Assessment System of Support (FY 2004)	Film Co-op	Leaders in Technology Enhanced Schools	Red Bud Community Project
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 11,191	\$ -	\$ 5,115
Investments	-	-	-	-	-
Internal balances	-	-	-	-	-
Due from other governments					
State	-	-	-	-	-
Other	5,063	-	-	-	-
Prepaid expenses	254	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 5,317</u>	<u>\$ -</u>	<u>\$ 11,191</u>	<u>\$ -</u>	<u>\$ 5,115</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-
Internal balances	5,317	-	-	-	-
Due to other governments					
State	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>5,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
Reserved for:					
Encumbrances	-	-	-	-	-
Restricted	-	-	11,191	-	5,115
Total fund balance	<u>-</u>	<u>-</u>	<u>11,191</u>	<u>-</u>	<u>5,115</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 5,317</u>	<u>\$ -</u>	<u>\$ 11,191</u>	<u>\$ -</u>	<u>\$ 5,115</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
WATERLOO OFFICE  
JUNE 30, 2005**

	Standards Aligned Classroom Proj Extension (FY 2004)	Standards Aligned Classroom Proj (FY 2005)	Standards Aligned Classroom Proj (FY 2004)	Student Assistance Program Mini Grant (FY 2004)	State Substance Abuse Violence Prevention (FY 2004)	We the People Citizens Project
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	1,173	90	89
Investments	-	-	-	-	-	-
Internal balances	-	-	-	-	-	-
Due from other governments						
State	-	-	-	-	-	-
Other	-	-	-	600	-	-
Prepaid expenses	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,773</u>	<u>\$ 90</u>	<u>\$ 89</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-	-
Internal balances	-	-	-	-	-	-
Due to other governments						
State	-	-	-	-	-	-
Deferred revenue	-	-	-	1,773	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,773</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>						
Reserved for:						
Encumbrances	-	-	-	-	-	-
Restricted	-	-	-	-	90	89
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90</u>	<u>89</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,773</u>	<u>\$ 90</u>	<u>\$ 89</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
WATERLOO OFFICE  
JUNE 30, 2005**

	Title II Teacher Quality System of Support (FY 2005)	Title II Teacher Quality System of Support (FY 2004)	Title I School Improvement System of Support	Area V Illinois Math and Science Partnership	Illinois Math and Science Partnership	Title I Reading First Part B SEA Funds (FY 2005)
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	-	-	1	\$ 1
Investments	-	-	-	-	-	-
Internal balances	-	-	-	-	-	-
Due from other governments						
State	-	-	-	-	-	-
Other	260	-	17,001	-	3,600	-
Prepaid expenses	49	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 309</u>	<u>\$ -</u>	<u>\$ 17,001</u>	<u>\$ -</u>	<u>\$ 3,601</u>	<u>\$ 1</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	-	-	-	\$ -
Accrued wages and benefits	-	-	-	-	-	-
Internal balances	309	-	15,681	-	3,596	-
Due to other governments						
State	-	-	-	-	-	-
Deferred revenue	-	-	1,320	-	5	1
Total liabilities	<u>309</u>	<u>-</u>	<u>17,001</u>	<u>-</u>	<u>3,601</u>	<u>1</u>
<b>FUND BALANCE</b>						
Reserved for:						
Encumbrances	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 309</u>	<u>\$ -</u>	<u>\$ 17,001</u>	<u>\$ -</u>	<u>\$ 3,601</u>	<u>\$ 1</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
WATERLOO OFFICE  
JUNE 30, 2005**

	Title I Reading First Part B SEA Funds (FY 2004)	Title II Teacher Quality	Title IV Safe and Drug Free School Formula (FY 2005)	Title IV Safe and Drug Free School Formula (FY 2004)	Title V Innovative Programs	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,660
Investments	-	-	-	-	-	-
Internal balances	-	-	-	-	-	-
Due from other governments						
State	-	-	-	-	-	-
Other	-	-	-	-	-	26,524
Prepaid expenses	-	-	-	-	-	303
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,487</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-	-
Internal balances	-	-	-	-	-	24,903
Due to other governments						
State	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	3,099
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,002</u>
<b>FUND BALANCE</b>						
Reserved for:						
Encumbrances	-	-	-	-	-	-
Restricted	-	-	-	-	-	16,485
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,485</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,487</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

	State Standards & Assessment System of Support (FY 2005)	State Standards & Assessment System of Support (FY 2004)	Film Co-op	Leaders in Technology Enhanced Schools	Red Bud Community Project
<b>Revenues</b>					
Local sources	\$ -	\$ -	\$ 3,995	\$ -	\$ 1,500
State sources	5,824	3,367	-	-	-
Federal sources	-	-	-	-	-
Interest income	-	-	176	-	55
Total revenues	<u>5,824</u>	<u>3,367</u>	<u>4,171</u>	<u>-</u>	<u>1,555</u>
<b>Expenditures</b>					
Salaries	4,653	3,042	4,388	15,926	-
Employee benefits	579	268	932	4,008	-
Purchased services	592	57	2,623	2,549	-
Supplies and materials	-	-	745	-	329
Capital outlay	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures	<u>5,824</u>	<u>3,367</u>	<u>8,688</u>	<u>22,483</u>	<u>329</u>
Excess (deficiency) of revenues over expenditures	-	-	(4,517)	(22,483)	1,226
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(4,517)	(22,483)	1,226
Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>15,708</u>	<u>22,483</u>	<u>3,889</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,191</u>	<u>\$ -</u>	<u>\$ 5,115</u>

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

**STATE OF ILLINOIS**  
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**MONROE AND RANDOLPH COUNTIES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**WATERLOO OFFICE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	Standards Aligned Classroom Proj Extension (FY 2004)	Standards Aligned Classroom Proj (FY 2005)	Standards Aligned Classroom Proj (FY 2004)	Student Assistance Program Mini Grant (FY 2004)	State Substance Abuse Violence Prevention (FY 2004)	We the People Citizens Project
<b>Revenues</b>						
Local sources	\$ -	\$ -	\$ -	\$ 600	\$ -	\$ 1,241
State sources	-	-	-	732	-	-
Federal sources	3,685	18,012	21	-	-	-
Interest income	-	39	-	-	27	-
Total revenues	<u>3,685</u>	<u>18,051</u>	<u>21</u>	<u>1,332</u>	<u>27</u>	<u>1,241</u>
<b>Expenditures</b>						
Salaries	-	8,139	-	-	-	-
Employee benefits	-	2,181	-	-	-	-
Purchased services	3,685	3,416	21	1,042	124	929
Supplies and materials	-	4,276	-	290	-	223
Capital outlay	-	-	-	-	-	-
Other	-	39	-	-	23	-
Total expenditures	<u>3,685</u>	<u>18,051</u>	<u>21</u>	<u>1,332</u>	<u>147</u>	<u>1,152</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	(120)	89
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	(120)	89
Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210</u>	<u>-</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 89</u>

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

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**MONROE AND RANDOLPH COUNTIES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**WATERLOO OFFICE**  
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	Title II Teacher Quality System of Support (FY 2005)	Title II Teacher Quality System of Support (FY 2004)	Title I School Improvement System of Support	Area V Illinois Math and Science Partnership	Illinois Math and Science Partnership	Title I Reading First Part B SEA Funds (FY 2005)
<b>Revenues</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	1,129	3,172	36,268	7,000	3,596	25,456
Interest income	-	-	-	17	-	57
Total revenues	<u>1,129</u>	<u>3,172</u>	<u>36,268</u>	<u>7,017</u>	<u>3,596</u>	<u>25,513</u>
<b>Expenditures</b>						
Salaries	950	950	29,938	5,284	1,125	2,100
Employee benefits	106	106	4,336	1,194	254	206
Purchased services	73	2,116	1,994	539	587	15,602
Supplies and materials	-	-	-	-	1,630	7,548
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	-	57
Total expenditures	<u>1,129</u>	<u>3,172</u>	<u>36,268</u>	<u>7,017</u>	<u>3,596</u>	<u>25,513</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	-
Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**STATE OF ILLINOIS**  
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**MONROE AND RANDOLPH COUNTIES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**WATERLOO OFFICE**  
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	Title I Reading First Part B SEA Funds (FY 2004)	Title II Teacher Quality	Title IV Safe and Drug Free School Formula (FY 2005)	Title IV Safe and Drug Free School Formula (FY 2004)	Title V Innovative Programs	Total
<b>Revenues</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,336
State sources	-	-	-	-	-	9,923
Federal sources	260	1,594	354	353	512	101,412
Interest income	56	-	-	-	-	427
<b>Total revenues</b>	<u>316</u>	<u>1,594</u>	<u>354</u>	<u>353</u>	<u>512</u>	<u>119,098</u>
<b>Expenditures</b>						
Salaries	-	-	-	-	225	76,720
Employee benefits	-	-	-	-	-	14,170
Purchased services	-	1,594	-	-	237	37,780
Supplies and materials	241	-	-	-	50	15,332
Capital outlay	-	-	-	-	-	-
Other	75	-	354	353	-	901
<b>Total expenditures</b>	<u>316</u>	<u>1,594</u>	<u>354</u>	<u>353</u>	<u>512</u>	<u>144,903</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	(25,805)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Net other sources and uses of financial resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	-	-	-	-	-	(25,805)
<b>Fund Balance - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,290</u>
<b>Fund Balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,485</u>

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

**STATE OF ILLINOIS  
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MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**State Standards and Assessment System of Support (FY 2005)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
State sources	\$ 19,500	\$ 19,500	\$ 5,824	\$ (13,676)
Total revenues	<u>19,500</u>	<u>19,500</u>	<u>5,824</u>	<u>(13,676)</u>
Expenditures				
Salaries	4,653	4,653	4,653	-
Employee benefits	579	579	579	-
Purchased services	592	592	592	-
Total expenditures	<u>5,824</u>	<u>5,824</u>	<u>5,824</u>	<u>-</u>
Excess (deficiency) of revenues over expenditure:	13,676	13,676	-	<u>\$ (13,676)</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net changes in fund balance	13,676	13,676	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ 13,676</u>	<u>\$ 13,676</u>	<u>\$ -</u>	

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

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EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**State Standards and Assessment System of Support (FY 2004)**

	Budgeted Amounts		July 1, 2003 - June 30, 2004	July 1, 2004 - June 30, 2005	Variance with Final Budget
	Original	Final	Budgetary Basis Actual	Budgetary Basis Actual	
Revenues					
State sources	\$ 15,328	\$ 15,328	\$ 11,961	\$ 3,367	\$ -
Total revenues	<u>15,328</u>	<u>15,328</u>	<u>11,961</u>	<u>3,367</u>	<u>-</u>
Expenditures					
Salaries	13,724	13,724	10,682	3,042	-
Employee benefits	500	500	232	268	-
Purchased services	<u>1,104</u>	<u>1,104</u>	<u>1,047</u>	<u>57</u>	<u>-</u>
Total expenditures	<u>15,328</u>	<u>15,328</u>	<u>11,961</u>	<u>3,367</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	<u>\$ -</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

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

**STATE OF ILLINOIS  
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MONROE AND RANDOLPH COUNTIES  
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WATERLOO OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**Standards Aligned Classroom Project Extension (FY 2004)**

	Budgeted Amounts		July 1, 2003 - June 30, 2004	July 1, 2004 - June 30, 2005	Variance with Final Budget
	Original	Final	Budgetary Basis Actual	Budgetary Basis Actual	
<b>Revenues</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	8,000	8,000	4,315	3,685	-
Interest income	-	-	-	-	-
<b>Total revenues</b>	<b>8,000</b>	<b>8,000</b>	<b>4,315</b>	<b>3,685</b>	<b>-</b>
<b>Expenditures</b>					
Salaries	3,171	3,171	3,171	-	-
Employee benefits	81	81	81	-	-
Purchased services	4,001	4,001	316	3,685	-
Supplies and materials	747	747	747	-	-
Other	-	-	-	-	-
<b>Total expenditures</b>	<b>8,000</b>	<b>8,000</b>	<b>4,315</b>	<b>3,685</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	\$ -
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other sources and uses of financial resources	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -	-

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

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**Standards Aligned Classroom Project (FY 2005)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal sources	\$ 18,012	\$ 18,012	\$ 18,012	\$ -
Interest income	-	-	39	39
Total revenues	<u>18,012</u>	<u>18,012</u>	<u>18,051</u>	<u>39</u>
Expenditures				
Salaries	7,998	7,998	8,139	141
Employee benefits	1,298	1,298	2,181	883
Purchased services	2,604	2,604	3,416	812
Supplies and materials	6,112	6,112	4,276	(1,836)
Other	-	-	39	39
Total expenditures	<u>18,012</u>	<u>18,012</u>	<u>18,051</u>	<u>39</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

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WATERLOO OFFICE  
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**Standards Aligned Classroom Project (FY 2004)**

	Budgeted Amounts		July 1, 2003 - June 30, 2004 Budgetary Basis Actual	July 1, 2004 - June 30, 2005 Budgetary Basis Actual	Variance with Final Budget
	Original	Final			
<b>Revenues</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	12,000	12,000	11,979	21	-
Interest income	-	-	41	-	41
	<u>-</u>	<u>-</u>	<u>41</u>	<u>-</u>	<u>41</u>
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>12,020</u>	<u>21</u>	<u>41</u>
<b>Expenditures</b>					
Salaries	6,978	6,978	6,978	-	-
Employee benefits	384	384	384	-	-
Purchased services	1,155	1,155	1,638	21	504
Supplies and materials	483	483	-	-	(483)
Other	3,000	3,000	3,020	-	20
	<u>3,000</u>	<u>3,000</u>	<u>3,020</u>	<u>-</u>	<u>20</u>
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>12,020</u>	<u>21</u>	<u>41</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	<u>\$ -</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**STATE OF ILLINOIS**  
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**MONROE AND RANDOLPH COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
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**FOR THE YEAR ENDED JUNE 30, 2005**

**Title II - Teacher Quality System of Support (FY 2005)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal sources	\$ 5,000	\$ 5,000	\$ 1,129	\$ (3,871)
Total revenue	<u>5,000</u>	<u>5,000</u>	<u>1,129</u>	<u>(3,871)</u>
Expenditures				
Salaries	950	950	950	-
Employee benefits	105	105	106	1
Purchased services	73	73	73	-
Supplies and materials	-	-	-	-
Total expenditures	<u>1,128</u>	<u>1,128</u>	<u>1,129</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	3,872	3,872	-	<u><u>\$ (3,872)</u></u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	3,872	3,872	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u><u>\$ 3,872</u></u>	<u><u>\$ 3,872</u></u>	<u><u>\$ -</u></u>	

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

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**Title II - Teacher Quality System of Support (FY 2004)**

	Budgeted Amounts		July 1, 2003 - June 30, 2004 Budgetary Basis Actual	July 1, 2004 - June 30, 2005 Budgetary Basis Actual	Variance with Final Budget
	Original	Final			
<b>Revenues</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	3,172	3,172	-	3,172	-
Interest income	-	-	-	-	-
Total revenues	<u>3,172</u>	<u>3,172</u>	<u>-</u>	<u>3,172</u>	<u>-</u>
<b>Expenditures</b>					
Salaries	950	950	-	950	-
Employee benefits	106	106	-	106	-
Purchased services	2,116	2,116	-	2,116	-
Supplies and materials	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures	<u>3,172</u>	<u>3,172</u>	<u>-</u>	<u>3,172</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	<u>\$ -</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

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

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**FOR THE YEAR ENDED JUNE 30, 2005**

**Title I - School Improvement System of Support**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal sources	\$ 38,148	\$ 38,148	\$ 36,268	\$ (1,880)
Total revenue	<u>38,148</u>	<u>38,148</u>	<u>36,268</u>	<u>(1,880)</u>
Expenditures				
Salaries	28,947	28,947	29,938	991
Employee benefits	5,138	5,138	4,336	(802)
Purchased services	4,063	4,063	1,994	(2,069)
Supplies and materials	-	-	-	-
Total expenditures	<u>38,148</u>	<u>38,148</u>	<u>36,268</u>	<u>(1,880)</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

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**Area V Illinois Math and Science Partnership**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal sources	\$ 7,000	\$ 7,000	\$ 7,000	\$ -
Interest	-	-	17	17
Total revenue	<u>7,000</u>	<u>7,000</u>	<u>7,017</u>	<u>17</u>
Expenditures				
Salaries	5,104	5,104	5,284	180
Employee benefits	1,169	1,169	1,194	25
Purchased services	727	727	539	(188)
Supplies and materials	-	-	-	-
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>7,017</u>	<u>17</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
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**Illinois Math and Science Partnership**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal sources	\$ 15,750	\$ 15,750	\$ 3,596	\$ (12,154)
Interest	-	-	-	-
Total revenue	<u>15,750</u>	<u>15,750</u>	<u>3,596</u>	<u>(12,154)</u>
Expenditures				
Salaries	6,650	6,650	1,125	(5,525)
Employee benefits	1,905	1,905	254	(1,651)
Purchased services	1,345	1,345	587	(758)
Supplies and materials	1,850	1,850	1,630	(220)
Capital outlay	4,000	4,000	-	(4,000)
Total expenditures	<u>15,750</u>	<u>15,750</u>	<u>3,596</u>	<u>(12,154)</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**WATERLOO OFFICE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**Title I - Reading First Part B SEA Funds(FY 2005)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal sources	\$ 25,456	\$ 25,456	\$ 25,456	\$ -
Interest income	-	-	57	57
Total revenues	<u>25,456</u>	<u>25,456</u>	<u>25,513</u>	<u>57</u>
Expenditures				
Salaries	2,100	2,100	2,100	-
Employee benefits	283	283	206	(77)
Purchased services	16,523	16,523	15,602	(921)
Supplies and materials	6,550	6,550	7,548	998
Other	-	-	57	57
Total expenditures	<u>25,456</u>	<u>25,456</u>	<u>25,513</u>	<u>57</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
FOR THE YEAR ENDED JUNE 30, 2005**

**Title I - Reading First Part B SEA Funds (FY 2004)**

	Budgeted Amounts		July 1, 2003 - June 30, 2004 Budgetary Basis Actual	July 1, 2004 - June 30, 2005 Budgetary Basis Actual	Variance with Final Budget
	Original	Final			
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	23,607	23,607	23,348	260	1
Interest income	-	-	19	56	75
Total revenues	<u>23,607</u>	<u>23,607</u>	<u>23,367</u>	<u>316</u>	<u>76</u>
Expenditures					
Salaries	7,185	7,185	6,385	-	(800)
Employee benefits	679	679	801	-	122
Purchased services	4,243	4,243	4,220	-	(23)
Supplies and materials	11,500	11,500	11,942	241	683
Other	-	-	19	75	94
Total expenditures	<u>23,607</u>	<u>23,607</u>	<u>23,367</u>	<u>316</u>	<u>76</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	<u>\$ -</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	
Transfers out	-	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**WATERLOO OFFICE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**Title II - Teacher Quality**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal sources	\$ 1,594	\$ 1,594	\$ 1,594	\$ -
Interest income	-	-	-	-
Total revenues	<u>1,594</u>	<u>1,594</u>	<u>1,594</u>	<u>-</u>
Expenditures				
Purchased services	1,594	1,594	1,594	-
Other	-	-	-	-
Total expenditures	<u>1,594</u>	<u>1,594</u>	<u>1,594</u>	<u>-</u>
Excess (deficiency) of revenues over expenditure:	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**WATERLOO OFFICE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**Title V - Innovative Programs**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal sources	\$ 512	\$ 512	\$ 512	\$ -
Interest income	-	-	-	-
Total revenues	<u>512</u>	<u>512</u>	<u>512</u>	<u>-</u>
Expenditures				
Salaries	262	262	225	(37)
Employee benefits	-	-	-	-
Purchased services	200	200	237	37
Supplies and materials	50	50	50	-
Other	-	-	-	-
Total expenditures	<u>512</u>	<u>512</u>	<u>512</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**WATERLOO OFFICE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**Title IV - Safe and Drug Free School - Formula (FY 2005)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal sources	\$ 354	\$ 354	\$ 354	\$ -
Interest income	-	-	-	-
Total revenues	<u>354</u>	<u>354</u>	<u>354</u>	<u>-</u>
Expenditures				
Supplies and materials	-	-	-	-
Other	354	354	354	-
Total expenditures	<u>354</u>	<u>354</u>	<u>354</u>	<u>-</u>
Excess (deficiency) of revenues over expenditure:	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	-	-	-	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**WATERLOO OFFICE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**Title IV - Safe and Drug Free School - Formula (FY 2004)**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal sources	\$ 353	\$ 353	\$ 353	\$ -
Interest income	-	-	-	-
Total revenues	<u>353</u>	<u>353</u>	<u>353</u>	<u>-</u>
Expenditures				
Supplies and materials	-	-	-	-
Other	353	353	353	-
Total expenditures	<u>353</u>	<u>353</u>	<u>353</u>	<u>-</u>
Excess (deficiency) of revenues over expenditure:	-	-	-	<u>\$ -</u>
Other financing sources (uses)				
Transfers in	-	-	-	
Transfers out	-	-	-	
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balance	-	-	-	
Fund balance - beginning	-	-	-	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2005**

	Bus Driver Permit Fund	General Education Development Fund	Supervisory Expense Fund	Total
	Waterloo Office	Waterloo Office	Waterloo Office	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,974	\$ 15,073	\$ -	\$ 17,047
Investments	-	-	-	-
Internal balances	-	-	-	-
Due from other governments				
State	-	100	-	100
Other	-	-	-	-
Prepaid Expenses	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,974</b>	<b>\$ 15,173</b>	<b>\$ -</b>	<b>\$ 17,147</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Internal balances	-	-	-	-
Due to other governments				
State	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	-	-	-	-
<b>FUND BALANCE</b>				
Reserved for:				
Encumbrances	-	-	-	-
Restricted	1,974	15,173	-	17,147
Total fund balances	1,974	15,173	-	17,147
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,974</b>	<b>\$ 15,173</b>	<b>\$ -</b>	<b>\$ 17,147</b>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Bus Driver Permit Fund</u>	<u>General Education Development Fund</u>	<u>Supervisory Expense Fund</u>	
	<u>Waterloo Office</u>	<u>Waterloo Office</u>	<u>Waterloo Office</u>	<u>Total</u>
Revenues				
Local sources	\$ 956	\$ 4,625	\$ -	\$ 5,581
State sources	600	-	2,000	2,600
State sources - payments made on behalf of regional office	-	-	-	-
Interest income	18	181	-	199
Total Revenues	<u>1,574</u>	<u>4,806</u>	<u>2,000</u>	<u>8,380</u>
Expenditures				
Salaries	-	1,700	-	1,700
Employee benefits	-	565	-	565
Purchased services	972	1,776	2,000	4,748
Supplies and materials	-	1,923	-	1,923
Capital outlay	-	-	-	-
Other	-	-	-	-
Payments made by state on behalf of regional office	-	-	-	-
Total Expenditures	<u>972</u>	<u>5,964</u>	<u>2,000</u>	<u>8,936</u>
Excess (deficiency) of revenues over expenditures	602	(1,158)	-	(556)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other sources and uses of financial resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	602	(1,158)	-	(556)
Fund balance - beginning	<u>1,372</u>	<u>16,331</u>	<u>-</u>	<u>17,703</u>
Fund balance - ending	<u>\$ 1,974</u>	<u>\$ 15,173</u>	<u>\$ -</u>	<u>\$ 17,147</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
June 30, 2005**

	Distributive Fund	State Aid Fund	Human Services Educational/ Vocational Project Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 547,601	\$ 547,601
Investments	-	-	1,000,000	1,000,000
Due from Illinois State Board of Education	-	-	189,823	189,823
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,737,424</b>	<b>\$ 1,737,424</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 3,110	\$ 3,110
Accrued wages and benefits	-	-	5,191	5,191
Due to local educational agencies	-	-	1,729,123	1,729,123
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,737,424</b>	<b>\$ 1,737,424</b>

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

**STATE OF ILLINOIS**  
**REGIONAL OFFICE OF EDUCATION #45**  
**MONROE AND RANDOLPH COUNTIES**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
<b><u>Distributive Fund</u></b>				
ASSETS				
Cash	\$ -	\$ 2,151,759	\$ 2,151,759	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 2,151,759</u>	<u>\$ 2,151,759</u>	<u>\$ -</u>
LIABILITIES				
Due to other funds - undistributed interest	\$ -	\$ 346	\$ 346	\$ -
Due to local educational agencies	<u>-</u>	<u>2,151,413</u>	<u>2,151,413</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 2,151,759</u>	<u>\$ 2,151,759</u>	<u>\$ -</u>
<b><u>State Aid Fund</u></b>				
ASSETS				
Cash	\$ -	\$ 862,800	\$ 862,800	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 862,800</u>	<u>\$ 862,800</u>	<u>\$ -</u>
LIABILITIES				
Due to local educational agencies	<u>\$ -</u>	<u>\$ 862,800</u>	<u>\$ 862,800</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 862,800</u>	<u>\$ 862,800</u>	<u>\$ -</u>

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

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005**

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
<b><u>Human Services Educational/Vocational Project</u></b>				
<b>ASSETS</b>				
Cash	\$ 1,701,589	\$ 257,947	\$ 1,411,935	\$ 547,601
Investments	-	1,000,000	-	1,000,000
Due from Illinois State Board of Education	102,402	189,823	102,402	189,823
TOTAL ASSETS	\$ 1,803,991	\$ 1,447,770	\$ 1,514,337	\$ 1,737,424
<b>LIABILITIES</b>				
Accounts payable	\$ 3,651	\$ 3,110	\$ 3,651	\$ 3,110
Accrued wages and benefits	1,500	5,191	1,500	5,191
Due to local educational agencies	1,791,180	1,439,469	1,501,526	1,729,123
Deferred revenue	7,660	-	7,660	-
TOTAL LIABILITIES	\$ 1,803,991	\$ 1,447,770	\$ 1,514,337	\$ 1,737,424
 <b><u>Total</u></b>				
<b>ASSETS</b>				
Cash	\$ 1,701,589	\$ 3,272,506	\$ 4,426,494	\$ 547,601
Investments	-	1,000,000	-	1,000,000
Due from Illinois State Board of Education	102,402	189,823	102,402	189,823
TOTAL ASSETS	\$ 1,803,991	\$ 4,462,329	\$ 4,528,896	\$ 1,737,424
<b>LIABILITIES</b>				
Accounts payable	\$ 3,651	\$ 3,110	\$ 3,651	\$ 3,110
Accrued wages and benefits	1,500	5,191	1,500	5,191
Due to other funds - undistributed interest	-	346	346	-
Due to local educational agencies	1,791,180	4,453,682	4,515,739	1,729,123
Deferred revenue	7,660	-	7,660	-
TOTAL LIABILITIES	\$ 1,803,991	\$ 4,462,329	\$ 4,528,896	\$ 1,737,424

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

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

**DISTRIBUTIVE FUND  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
FOR THE YEAR ENDED JUNE 30, 2005**

DISTRIBUTIONS	Acct. No.	ROE #45	BECK AREA VOCATIONAL CENTER	MENTAL HEALTH
<b>Local Funds</b>				
Distributive Fund Interest	1510	\$ 346	\$ -	\$ -
Total Local Funds		\$ 346	\$ -	\$ -
<b>State Funds</b>				
General State Aid - Sec. 18-8	3001	103,400	614,444	-
General State Aid - Hold Harmless	3002	-	-	-
Special Ed. - Extraordinary	3105	-	-	-
Voc. Ed. - Secondary Program Improvement	3220	-	-	692,654
Voc. Ed. - Agricultural Education	3235	-	-	-
State Free Lunch & Breakfast	3360	-	415	-
Transportation - Regular	3500	-	101,936	-
ROE School Bus Driver Training	3520	600	-	-
Truants Alternative/Operational Ed.	3695	35,943	-	-
Regional Safe Schools Program	3696	100,166	-	-
ROE/ESC Operations	3730	59,913	-	-
ADA Safety & Education Block Grant	3775	-	-	-
Total State Funds		\$ 300,022	\$ 716,795	\$ 692,654
<b>Federal Funds</b>				
Title VI - Formula	4100	-	512	-
National School Lunch Program	4210	-	10,915	-
IASA - Even Start	4335	162,264	-	-
Title I - Reading First Part B SEA Funds	4337-02	25,456	-	-
IASA - Drug Free Schools - Formula	4400	-	707	-
Title IV- Community Service	4420	3,998	-	-
Fed. - Sp. Ed. - Pre-School Flow Through	4600	-	-	35,820
Fed. - Sp. Ed. - IDEA - Flow Through	4620	-	-	46,352
V.E. PERKINS	4740	-	-	168,141
V. E. - Perkins - Title IIC - Secondary	4745	-	-	-
Title II - Teacher Quality	4932	-	1,594	-
Total Federal Funds		191,718	13,728	250,313
<b>TOTAL DISTRIBUTIONS</b>		<b>\$ 492,086</b>	<b>\$ 730,523</b>	<b>\$ 942,967</b>

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

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

**DISTRIBUTIVE FUND  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
FOR THE YEAR ENDED JUNE 30, 2005**

<b>DISTRIBUTIONS</b>	<b>Acct. No.</b>	<b>CHESTER NHSD 122</b>	<b>OKAW REGIONAL VOC SYSTEM-EFE</b>	<b>TOTAL</b>
<b>Local Funds</b>				
Distributive Fund Interest	1510	\$ -	\$ -	\$ 346
Total Local Funds		\$ -	\$ -	\$ 346
<b>State Funds</b>				
General State Aid - Sec. 18-8	3001	124,917	-	842,761
General State Aid - Hold Harmless	3002	20,039	-	20,039
Special Ed. - Extraordinary	3105	1,754	-	1,754
Voc. Ed. - Secondary Program Improvement	3220	-	560,000	1,252,654
Voc. Ed. - Agricultural Education	3235	-	14,934	14,934
State Free Lunch & Breakfast	3360	-	-	415
Transportation - Regular	3500	20,913	-	122,849
ROE School Bus Driver Training	3520	-	-	600
Truants Alternative/Operational Ed.	3695	-	-	35,943
Regional Safe Schools Program	3696	-	-	100,166
ROE/ESC Operations	3730	-	-	59,913
ADA Safety & Education Block Grant	3775	1,012	-	1,012
Total State Funds		\$ 168,635	\$ 574,934	\$ 2,453,040
<b>Federal Funds</b>				
Title VI - Formula	4100	-	-	512
National School Lunch Program	4210	-	-	10,915
IASA - Even Start	4335	-	-	162,264
Title I - Reading First Part B SEA Funds	4337-02	-	-	25,456
IASA - Drug Free Schools - Formula	4400	-	-	707
Title IV- Community Service	4420	-	-	3,998
Fed. - Sp. Ed. - Pre-School Flow Through	4600	-	-	35,820
Fed. - Sp. Ed. - IDEA - Flow Through	4620	-	-	46,352
V.E. PERKINS	4740	-	-	168,141
V. E. - Perkins - Title IIC - Secondary	4745	-	105,413	105,413
Title II - Teacher Quality	4932	-	-	1,594
Total Federal Funds		-	105,413	561,172
<b>TOTAL DISTRIBUTIONS</b>		<b>\$ 168,635</b>	<b>\$ 680,347</b>	<b>\$ 3,014,558</b>

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

**SINGLE AUDIT SECTION**

STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDING JUNE 30, 2005

Federal Grantor/Pass-Through Grantor, Program Title & Major Program Designation	CFDA Number	Project Number (1st 8 digits) or Contract #	Federal Expenditures 7/1/04 - 6/30/05
U.S. Department of Education passed through Illinois Community College Board:			
WIA Adult Program	17.258	02-67502	\$ 505
<b>Total for CFDA # 17.258</b>			<b>505</b>
WIA Youth Activities	17.259	02-67502	587
<b>Total for CFDA # 17.259</b>			<b>587</b>
WIA Dislocated Workers	17.260	02-67502	930
<b>Total for CFDA # 17.260</b>			<b>930</b>
Adult Education - Federal Basic	84.002	05-4800-00	54,876
<b>Total for CFDA # 84.002</b>			<b>54,876</b>
Total-U.S. Department of Education passed through Illinois Community College Board:			56,898
U.S. Department of Education passed through another ROE:			
Through ROE #3 Bond/Fayette/Effingham Counties:			
Standards Aligned Classroom Project	84.289A	04-4999-00	21
Standards Aligned Classroom Project	84.289A	05-4999-00	18,051
Total-U.S. Department of Education passed through ROE #3			18,072
Through ROE #11 Clark/Coles/Cumberland/Douglas/Edgar/Moultrie/Shelby Counties:			
Standards Aligned Classroom Project Extension	84.289A	04-4999-01	3,685
Total-U.S. Department of Education passed through ROE #11:			3,685
<b>Total for CFDA # 84.289A</b>			<b>21,757</b>
Through ROE #50 St. Clair County:			
Title I School Improvement System of Support (m)	84.010A	05-4331-SS	36,268
<b>Total for CFDA # 84.010A</b>			<b>36,268</b>
Title II Teacher Quality System of Support	84.367A	04-4935-SS	3,172
Title II Teacher Quality System of Support	84.367A	05-4935-SS	1,129
<b>Total for CFDA # 84.367A</b>			<b>4,301</b>
Illinois Math and Science Partnership Grant	84.366B	05-4936-00	3,596
Total-U.S. Department of Education passed through ROE #50:			44,165
Through ROE #41 Madison County:			
Area V Illinois Math and Science Partnership	84.366B	04-4936-SS	5,000
Area V Illinois Math and Science Partnership	84.366B	05-4936-SS	2,017
Total-U.S. Department of Education passed through ROE #41			7,017
<b>Total for CFDA # 84.366B</b>			<b>10,613</b>
Total-U.S. Department of Education passed through another ROE			72,939
Subtotal of U.S. Department of Education (carried forward)			\$ 129,837

(m) denotes major program

The accompanying notes are an integral part of this schedule

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDING JUNE 30, 2005**

Subtotal of U.S.Department of Education (brought forward)		\$	129,837
U.S. Department of Education passed through Illinois State Board of Education:			
Even Start (Sparta) (m)	84.213	04-4335-01	179
Even Start (Sparta) (m)	84.213	05-4335-01	160,003
<b>Total for CFDA # 84.213</b>			<u><b>160,182</b></u>
Title IV - Community Service	84.184	04-4420-00	2,160
<b>Total for CFDA # 84.184</b>			<u><b>2,160</b></u>
Title II - Teacher Quality	84.340	05-4932-00	1,594
<b>Total for CFDA # 84.340</b>			<u><b>1,594</b></u>
Title IV - Safe and Drug Free School - Formula	84.186	04-4400-00	353
Title IV - Safe and Drug Free School - Formula	84.186	05-4400-00	354
<b>Total for CFDA # 84.186</b>			<u><b>707</b></u>
Title V - Innovative Programs Formula	84.298	05-4100-00	512
<b>Total for CFDA # 84.298</b>			<u><b>512</b></u>
Title I - Reading First Part B SEA Funds	84.357	04-4337-02	316
Title I - Reading First Part B SEA Funds	84.357	05-4337-02	25,513
<b>Total for CFDA # 84.357</b>			<u><b>25,829</b></u>
Total-U.S. Department of Education passed through Illinois State Board of Education:			<u>190,984</u>
Total Department of Education			<u>320,821</u>
U.S. Department of Health and Human Services passed through Illinois State Board of Education			
Regional Safe Schools (TANF)	93.558	05-3696-00	18,131
Regional Safe Schools - General State Aide (TANF)	93.558	05-3001-93	17,233
<b>Total for CFDA # 93.558</b>			<u><b>35,364</b></u>
Total-U.S Department of Health and Human Services passed through Illinois State Board of Education			<u>35,364</u>
Total Federal Awards			<u><u>\$ 356,185</u></u>

(m) denotes major program

The accompanying notes are an integral part of this schedule

**STATE OF ILLINOIS  
 REGIONAL OFFICE OF EDUCATION #45  
 MONROE AND RANDOLPH COUNTIES  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2005**

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

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

**NOTE 2: SUBRECIPIENTS**

The following grants were received by the Regional Office of Education #45 through its distributive fund and reported on the accompanying Schedule of Expenditures of Federal Awards. However, upon receipt, the funds were subsequently passed through to Beck Area Career Center:

	<u>CFDA#</u>	<u>Project#</u>	<u>Amount</u>
Title V - Innovative Programs	84.298	05-4100-00	\$ 512
Title IV – Safe and Drug Free School - Formula	84.186	04-4400-00	353
Title IV – Safe and Drug Free School - Formula	84.186	05-4400-00	354
Title II - Teacher Quality	84.340	05-4932-00	1,594
			<u>\$ 2,813</u>

**NOTE 3: LOANS AND INSURANCE**

There were no federal awards received or disbursed by the Monroe and Randolph Regional Office of Education for the purpose of loans or insurance.

**NOTE 4: DESCRIPTION OF MAJOR FEDERAL PROGRAMS**

*Even Start*

The Even Start program is based in Sparta and covers the surrounding rural area. The objective of the program is to assist children ages birth through seven and their parents. The parents must be eligible for participation in adult education and literacy activities under the Adult Education and Family Literacy Act. The components of Even Start are: interactive literacy activities between parents and their children; parent literacy training that leads to economic self-sufficiency; and age-appropriate education to prepare children for success in school. These activities and instruction are accomplished either in the home of the family or in a classroom setting. An Early Childhood Educator works with the children while a Parent Educator assists the parents.

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #45  
MONROE AND RANDOLPH COUNTIES  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2005**

**NOTE 4: DESCRIPTION OF MAJOR FEDERAL PROGRAMS (CONTINUED)**

*Title I School Improvement System of Support*

The purpose of this grant is to conduct targeted assistance with planning, professional development, and data analysis solely with struggling schools eligible to receive service. A school or school district not meeting the standards set by the State for Adequate Yearly Progress (AYP) becomes eligible for this grant.

**NOTE 5: NON-CASH ASSISTANCE**

Monroe/Randolph Regional Office of Education #45 did not receive any federal non-cash assistance.