

State of Illinois
REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
& OMB Circular A-133)
For the Year Ended June 30, 2013

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

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**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

OFFICIALS

Regional Superintendent
(Current effective December 1, 2012)

Mr. Kelton J.V. Davis

Regional Superintendent
(During the Audit Period through November 30, 2012)

Dr. Marc L. Kiehna

Assistant Regional Superintendent
(Current effective December 1, 2012)

Ms. Mary Ann Quivey

Assistant Regional Superintendent
(During the Audit Period through November 30, 2012)

Mr. Kelton J.V. Davis

Offices are located at:

107 East Mill Street
Waterloo, Illinois 62298

Randolph County Courthouse
#1 Taylor Street
Chester, Illinois 62233

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

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

None

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

12-01	15	Material Journal Entries	Material Weakness
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PRIOR AUDIT FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

EXIT CONFERENCE

An informal exit conference was held with Agency personnel on August 16, 2013 to review the auditors' report. Attending were Marc Kiehna, Regional Superintendent; Kelton Davis, Assistant Regional Superintendent; Linda Schmidt, Comptroller; Tricia Bockhorn, Fiscal Assistant; Michelle Coleman, Fiscal Assistant; Kimberly Walker, CPA, Partner, Kemper CPA Group LLP; and Kara Bevis, CPA, Manager, Kemper CPA Group LLP.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

FINANCIAL STATEMENT REPORT SUMMARY

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

Based on their audit, the auditors expressed an unmodified opinion on the Monroe and Randolph Counties Regional Office of Education #45's basic financial statements.

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monroe and Randolph Counties Regional Office of Education #45, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Monroe and Randolph Counties Regional Office of Education #45's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monroe and Randolph Counties Regional Office of Education #45, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a through 16h and 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monroe and Randolph Counties Regional Office of Education #45's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated February 27, 2014, on our consideration of the Monroe and Randolph Counties Regional Office of Education #45's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Monroe and Randolph Counties Regional Office of Education #45's internal control over financial reporting and compliance.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP

Certified Public Accountants and Consultants

Marion, Illinois

February 27, 2014

**INDEPENDENT AUDITORS' 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monroe and Randolph Counties Regional Office of Education #45, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Monroe and Randolph Counties Regional Office of Education #45's basic financial statements and have issued our report thereon dated February 27, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Monroe and Randolph Counties Regional Office of Education #45's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Monroe and Randolph Counties Regional Office of Education #45's internal control. Accordingly, we do not express an opinion on the effectiveness of the Monroe and Randolph Counties Regional Office of Education #45's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Monroe and Randolph Counties Regional Office of Education #45's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Monroe and Randolph Counties Regional Office of Education #45's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Monroe and Randolph Counties Regional Office of Education #45's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP

Certified Public Accountants and Consultants

Marion, Illinois
February 27, 2014

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

Honorable William G. Holland
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited the Monroe and Randolph Counties Regional Office of Education #45's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Monroe and Randolph Counties Regional Office of Education #45's major federal programs for the year ended June 30, 2013. The Monroe and Randolph Counties Regional Office of Education #45's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Monroe and Randolph Counties Regional Office of Education #45's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Monroe and Randolph Counties Regional Office of Education #45's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Monroe and Randolph Counties Regional Office of Education #45's compliance.

Opinion on Each Major Federal Program

In our opinion, the Monroe and Randolph Counties Regional Office of Education #45 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Monroe and Randolph Counties Regional Office of Education #45 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Monroe and Randolph Counties Regional Office of Education #45's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Monroe and Randolph Counties Regional Office of Education #45's internal control over compliance.

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

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

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
February 27, 2014

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material Weakness(es) identified? No
- Significant Deficiency(ies) identified? No
- Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material Weakness(es) identified? No
- Significant Deficiency(ies) identified? No

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

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

Identification of **major** programs:

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

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

Auditee qualified as a low-risk auditee? No

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013**

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2013**

CORRECTIVE ACTION PLAN

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2013**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
12-01	Material Journal Entries	Not Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

Management's Discussion and Analysis

As management of Monroe and Randolph Counties Regional Office of Education #45 (ROE #45), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the ROE #45 for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with ROE #45's financial statements, which follow this section.

2013 Financial Highlights

- The assets of Regional Office of Education #45 exceeded its liabilities by \$893,054 (net position). Of this amount, \$59,484 is restricted for educational purposes. Capital assets account for \$40,919 with no related debt.
- The Regional Office of Education #45's total net position decreased by \$40,740. This change was mostly attributable to an increase in cash of \$35,698 and a decrease in the amount due from governmental activities of \$99,230. Deferred revenue for grants ending after June 30, 2013 reflected a \$12,500 decrease from the previous year.
- The capital assets (net) of Regional Office of Education #45 decreased by \$3,896 due to the addition of capital assets and the net decrease in accumulated depreciation of \$10,311. See Note 8 to the financial statements for further details.

Overview of the Financial Statements

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

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

Management's Discussion and Analysis (Continued)

Overview of the Financial Statements (Continued)

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

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

Management's Discussion and Analysis (Continued)

Overview of the Financial Statements (Continued)

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

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

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

Management's Discussion and Analysis (Continued)

Overview of the Financial Statements (Concluded)

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning ROE #45. Overall budgeting is not a legal requirement for ROE #45. Accordingly, formal budgets are not adopted; and therefore, budgetary comparison schedules are not included in the required supplementary information (RSI). However, ROE #45 is the recipient of monies from the Illinois State Board of Education (ISBE) for certain accounts within the general fund and for most accounts within the education fund on which ISBE requires budgetary comparison to actual results. Budgetary comparison schedules have been provided for the ISBE accounts to demonstrate compliance and can be found on pages 64-69, and 74-83 of this report. In addition, budgetary comparison schedules have been provided for the grants received from the Illinois Community College Board (ICCB), which can be found on pages 60-63 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and combining statements for the general and education funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 50-59, 70-73, and 84-88 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of ROE #45, assets exceeded liabilities by \$893,054 at the close of fiscal year 2013.

ROE #45's net position is split approximately 75% to governmental activities and 25% to business-type activities. Of the governmental net position, approximately 6% is invested in capital assets, 9% restricted as to use, and the remaining 85% unrestricted as to use.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

Management's Discussion and Analysis (Continued)

Government-wide Financial Analysis (Continued)

	ROE 45's Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 636,956	\$ 678,243	\$225,788	\$252,216	\$ 862,744	\$ 930,459
Capital assets	37,652	40,704	3,267	4,111	40,919	44,815
Total assets	<u>674,608</u>	<u>718,947</u>	<u>229,055</u>	<u>256,327</u>	<u>903,663</u>	<u>975,274</u>
Other liabilities	7,660	29,360	2,949	12,120	10,609	41,480
Long-term debt	-	-	-	-	-	-
Total liabilities	<u>7,660</u>	<u>29,360</u>	<u>2,949</u>	<u>12,120</u>	<u>10,609</u>	<u>41,480</u>
Net position:						
Invested in capital assets, net of related debt	37,652	40,704	3,267	4,111	40,919	44,815
Restricted	59,484	75,849	-	-	59,484	75,849
Unrestricted	<u>569,812</u>	<u>573,034</u>	<u>222,839</u>	<u>240,096</u>	<u>792,651</u>	<u>813,130</u>
Total net position	<u>\$ 666,948</u>	<u>\$ 689,587</u>	<u>\$226,106</u>	<u>\$244,207</u>	<u>\$ 893,054</u>	<u>\$ 933,794</u>

During 2013, current assets, comprised predominately of cash and receivables, decreased \$67,715 due mainly to the reduction in grant funding. There was a decrease of \$3,896 for capital assets. The net position of the business-type activities decreased by \$18,101. A portion of the decrease in the net position of the business type activities is attributed to the facilitation of programs previously supported by grant funding.

As indicated above, ROE #45 reported positive net position for both the governmental and business-type activities. The assets of ROE #45 exceeded its liabilities at the close of the fiscal year by \$893,054 (total net position). Approximately 85% of net position is unrestricted and 9% is restricted for specific purposes of governmental activities. The investment in net capital assets was \$40,919 at June 30, 2013. ROE #45 uses these capital assets in providing services to its citizens; consequently, these assets are not available for future spending.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

Management's Discussion and Analysis (Continued)

Government-wide Financial Analysis (Concluded)

Net position of ROE #45 decreased by \$40,740 during 2013. Governmental activities contributed a decrease of \$22,639. Business-type activities decreased by \$18,101. Key elements of the change are as follows:

	ROE 45's Changes in Net Position					
	Governmental		Business-type		Total	
	Activities	Activities	Activities		2013	2012
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 21,399	\$ 32,352	\$126,405	\$226,519	\$ 147,804	\$ 258,871
Operating grants & contributions	892,596	1,096,558	-	-	892,596	1,096,558
General revenues:						
Local sources	304,574	353,268	-	-	304,574	353,268
State sources	124,928	99,196	-	-	124,928	99,196
Transfers	-	4,698	-	(4,698)	-	-
On-behalf payments	346,316	312,141	-	-	346,316	312,141
Loss on asset disposal	-	(13,427)	-	-	-	(13,427)
Interest	892	1,598	659	871	1,551	2,469
Total revenues	<u>1,690,705</u>	<u>1,886,384</u>	<u>127,064</u>	<u>222,692</u>	<u>1,817,769</u>	<u>2,109,076</u>
Expenses:						
Salaries and benefits	773,743	786,014	56,311	73,762	830,054	859,776
Purchased services	331,661	300,825	78,352	70,522	410,013	371,347
Supplies and materials	65,407	132,258	9,658	7,530	75,065	139,788
Payments to Govts	175,561	306,635	-	-	175,561	306,635
Other	10,089	13,410	-	-	10,089	13,410
Depreciation	10,567	16,364	844	289	11,411	16,653
On-behalf payments	<u>346,316</u>	<u>312,141</u>	<u>-</u>	<u>-</u>	<u>346,316</u>	<u>312,141</u>
Total expenses	<u>1,713,344</u>	<u>1,867,647</u>	<u>145,165</u>	<u>152,103</u>	<u>1,858,509</u>	<u>2,019,750</u>
Increase (decrease) in net position	(22,639)	18,737	(18,101)	70,589	(40,740)	89,326
Net position-beginning	<u>689,587</u>	<u>670,850</u>	<u>244,207</u>	<u>173,618</u>	<u>933,794</u>	<u>844,468</u>
Net position-ending	<u>\$ 666,948</u>	<u>\$ 689,587</u>	<u>\$226,106</u>	<u>\$244,207</u>	<u>\$ 893,054</u>	<u>\$ 933,794</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

Management's Discussion and Analysis (Continued)

Governmental Activities

Revenues for governmental activities were \$1,690,705 and expenses were \$1,713,344. Revenues decreased \$195,679 due mostly to the reduction of funding for the final year of some grants.

With the decrease in revenues, we could expect to see a decrease in expenses as well. Overall governmental expenses decreased approximately \$154,303 (exclusive of on-behalf payments) consisting primarily of a decrease of approximately \$12,271 in salaries and benefits, \$66,851 in supplies and materials and an increase of \$30,836 in purchased services. Payments to other governments decreased by \$131,074 and other expenses decreased by \$3,321. The increase in purchase services was related to additional workshop presenter expenses for The Trail and the biannual Teacher's Institute. The decrease in payment to other governments and supplies and materials was directly related to a decrease of grant funding. The depreciation decrease was \$5,797.

Business-Type Activities

The charges for services decreased by \$100,114 when compared to 2012. The decrease in revenue was partially due to fewer participants from local schools for training programs offered by ROE #45. Additionally, a loss of funding from the University of Illinois for the TimsWeb Program accounts for a significant decrease in revenues. Overall expenses decreased by \$6,938 when compared to 2012. Salaries and benefits decreased by \$17,451, purchased services increased by \$7,830, and supplies and materials increased by \$2,128.

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 \$629,296 representing a decrease of \$19,587 from last year's ending fund balance of \$648,883. The decrease is mostly attributable to funding levels decreasing at a higher rate than expenditures.

The general fund is the chief operating fund of ROE #45. At the end of the current fiscal year, the nonspendable, assigned, and unassigned fund balance of the general fund decreased by \$6,873. The education fund decreased by \$2,794. The education fund balance, consisting of nonspendable, assigned, and unassigned amounts, is for specific education program use.

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
For the Year Ended June 30, 2013**

Management's Discussion and Analysis (Concluded)

Budgetary Highlights

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

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

Capital Assets

	ROE 45's Capital Assets					
	Net of Accumulated Depreciation					
	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Equipment	\$ 37,652	\$ 40,704	\$ 3,267	\$ 4,111	\$ 40,919	\$ 44,815

At June 30, 2013 and June 30, 2012, ROE #45 had invested \$175,858 and \$169,443 respectively, in a broad range of capital assets, including office equipment, computers and audio-visual equipment.

ROE #45 had depreciation expense of \$11,411 and \$16,653 in 2013 and 2012, respectively, with accumulated depreciation of \$134,939 and \$124,628 at June 30, 2013 and 2012, respectively. More detailed information about capital assets is available in Note 8 to the financial statements.

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, ROE #45 was uncertain about funding for the next year. The Mathematics & Science Partnership grants ended early in fiscal year 2014. We are diligently pursuing opportunities to acquire new funding to support the services of our office. We anticipate a continued delay in timeliness of state funding and payments for continuing grant programs. The Truants Alternative Optional Education grant was not funded for fiscal year 2014.

Contacting ROE #45's Financial Management

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

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF NET POSITION
June 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 529,368	\$ 225,138	\$ 754,506
Due from other governments	101,461	650	102,111
Prepaid expenses	6,127	-	6,127
Total Current Assets	636,956	225,788	862,744
NONCURRENT ASSETS			
Capital assets, being depreciated, net	37,652	3,267	40,919
Total Noncurrent Assets	37,652	3,267	40,919
TOTAL ASSETS	674,608	229,055	903,663
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	1,159	225	1,384
Accrued wages and benefits	5,428	-	5,428
Deferred revenue	1,073	924	1,997
Due to other governments	-	1,800	1,800
Total Current Liabilities	7,660	2,949	10,609
NET POSITION			
Invested in capital assets, net of related debt	37,652	3,267	40,919
Restricted for educational purposes	59,484	-	59,484
Unrestricted	569,812	222,839	792,651
TOTAL NET POSITION	\$ 666,948	\$ 226,106	\$ 893,054

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
PRIMARY GOVERNMENT							
Governmental activities							
Instructional services							
Salaries	\$ 586,781	\$ 6,599	\$ 350,010	\$ -	\$ (230,172)	\$ -	\$ (230,172)
Employees benefits	186,962	1,708	96,096	-	(89,158)	-	(89,158)
Purchased services	331,661	9,137	219,960	-	(102,564)	-	(102,564)
Supplies and materials	65,407	3,509	44,761	-	(17,137)	-	(17,137)
Other	10,089	446	3	-	(9,640)	-	(9,640)
Payments to other governments	175,561	-	175,561	-	-	-	-
Depreciation	10,567	-	6,205	-	(4,362)	-	(4,362)
Administrative							
On-behalf payments - State	346,316	-	-	-	(346,316)	-	(346,316)
Total Governmental Activities	<u>1,713,344</u>	<u>21,399</u>	<u>892,596</u>	<u>-</u>	<u>(799,349)</u>	<u>-</u>	<u>(799,349)</u>
Business-type activities							
Registration services	145,165	126,405	-	-	-	(18,760)	(18,760)
Total Business-Type Activities	<u>145,165</u>	<u>126,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,760)</u>	<u>(18,760)</u>
Total Primary Government	<u>\$ 1,858,509</u>	<u>\$ 147,804</u>	<u>\$ 892,596</u>	<u>\$ -</u>	<u>(799,349)</u>	<u>(18,760)</u>	<u>(818,109)</u>
General revenues							
Local sources					304,574	-	304,574
State sources					124,928	-	124,928
On-behalf payments - State					346,316	-	346,316
Interest					892	659	1,551
Total General Revenues and Transfers					<u>776,710</u>	<u>659</u>	<u>777,369</u>
Change in Net Position					(22,639)	(18,101)	(40,740)
Net Position - Beginning					689,587	244,207	933,794
Net Position - Ending					<u>\$ 666,948</u>	<u>\$ 226,106</u>	<u>\$ 893,054</u>

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013**

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 469,247	\$ 1,767	\$ 58,354	\$ -	\$ 529,368
Due from other funds	78,616	-	-	(78,616)	-
Due from other governments	20,706	79,625	1,130	-	101,461
Prepaid expenses	5,977	150	-	-	6,127
Total Assets	\$ 574,546	\$ 81,542	\$ 59,484	\$ (78,616)	\$ 636,956
Liabilities					
Accounts payable	\$ -	\$ 1,159	\$ -	\$ -	\$ 1,159
Accrued wages and benefits	5,428	-	-	-	5,428
Due to other funds	-	78,616	-	(78,616)	-
Deferred revenue	1,073	-	-	-	1,073
Total liabilities	6,501	79,775	-	(78,616)	7,660
Fund Balance					
Nonspendable	5,977	-	-	-	5,977
Restricted	-	-	59,484	-	59,484
Assigned	-	1,767	-	-	1,767
Unassigned	562,068	-	-	-	562,068
Total Fund Balances	568,045	1,767	59,484	-	629,296
Total Liabilities and Fund Balances	\$ 574,546	\$ 81,542	\$ 59,484	\$ (78,616)	\$ 636,956

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
June 30, 2013**

Total Fund Balances - Governmental Funds \$ 629,296

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

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

37,652

Net Position of Governmental Activities

\$ 666,948

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013**

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
Revenues					
Local sources	\$ 304,548	\$ 26	\$ 20,106	\$ -	\$ 324,680
State sources	124,928	233,642	1,293	-	359,863
State sources - payments made on behalf of region	346,316	-	-	-	346,316
Federal sources	7,515	651,439	-	-	658,954
Total Revenues	<u>783,307</u>	<u>885,107</u>	<u>21,399</u>	<u>-</u>	<u>1,689,813</u>
Expenditures					
Instructional Services					
Salaries	225,663	351,406	9,712	-	586,781
Employee benefits	87,969	96,479	2,514	-	186,962
Purchased services	104,920	213,293	13,448	-	331,661
Supplies and materials	15,303	44,940	5,164	-	65,407
Other	9,429	3	657	-	10,089
Payments to other governments	-	175,561	-	-	175,561
Payments made on behalf of region	346,316	-	-	-	346,316
Capital outlay	1,285	6,230	-	-	7,515
Total Expenditures	<u>790,885</u>	<u>887,912</u>	<u>31,495</u>	<u>-</u>	<u>1,710,292</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,578)</u>	<u>(2,805)</u>	<u>(10,096)</u>	<u>-</u>	<u>(20,479)</u>
Other Financing Sources (Uses)					
Interest	705	11	176	-	892
Total Other Financing Sources (Uses)	<u>705</u>	<u>11</u>	<u>176</u>	<u>-</u>	<u>892</u>
Net Change in Fund Balance	(6,873)	(2,794)	(9,920)	-	(19,587)
Fund Balances - Beginning, Restated	<u>574,918</u>	<u>4,561</u>	<u>69,404</u>	<u>-</u>	<u>648,883</u>
Fund Balances - Ending	<u>\$ 568,045</u>	<u>\$ 1,767</u>	<u>\$ 59,484</u>	<u>\$ -</u>	<u>\$ 629,296</u>

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013**

Net Change in Fund Balance - Total Governmental Funds \$ (19,587)

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

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

Capital outlay	\$ 7,515	
Depreciation expense	<u>(10,567)</u>	<u>(3,052)</u>

Change in Net Position of Governmental Activities \$ (22,639)

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2013**

	Business-Type Activities <u>Enterprise Funds</u>
	<u>Registration</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 225,138
Due from other governments	650
Total Current Assets	<u>225,788</u>
Noncurrent Assets	
Capital assets, net of accumulated depreciation	<u>3,267</u>
Total Noncurrent Assets	<u>3,267</u>
Total Assets	<u>229,055</u>
Liabilities	
Current Liabilities	
Accounts payable	225
Due to other governments	1,800
Deferred revenue	924
Total Current Liabilities	<u>2,949</u>
Net Position	
Invested in capital assets, net of related debt	3,267
Unrestricted	<u>222,839</u>
TOTAL NET POSITION	<u><u>\$ 226,106</u></u>

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Year Ended June 30, 2013**

	Business-Type Activities
	Enterprise Funds
	Registration
Operating Revenues	
Charge for Services	\$ 126,405
Total Operating Revenues	126,405
Operating Expenses	
Salaries	48,128
Employee benefits	8,183
Purchased services	78,352
Supplies and materials	9,658
Depreciation	844
Total Operating Expenses	145,165
Operating Income (Loss)	(18,760)
Nonoperating Revenues	
Interest	659
Total Nonoperating Revenues	659
Change in Net Position	(18,101)
Net Position - Beginning	244,207
Net Position - Ending	\$ 226,106

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2013**

	Business-Type Activities
	Enterprise Funds
	Registration
Cash flows from operating activities:	
Receipts from customers	\$ 199,317
Payments to suppliers and providers for goods and services	(86,170)
Payments to employees	(56,311)
Net cash provided by (used for) operating activities	56,836
Cash flows from investing activities:	
Interest received on investments	659
Net cash provided by (used for) investing activities	659
Net increase (decrease) in cash and cash equivalents	57,495
Cash and cash equivalents - beginning of year	167,643
Cash and cash equivalents - end of year	\$ 225,138
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (18,760)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	844
Change in assets and liabilities:	
(Increase) decrease in due from other governments	82,308
(Increase) decrease in prepaid expenses	1,615
Increase (decrease) in accounts payable	225
Increase (decrease) in due to other governments	(6,660)
Increase (decrease) in deferred revenue	(2,736)
Net cash provided by (used for) operating activities	\$ 56,836

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2013**

	Agency Funds
Assets	
Cash and cash equivalents	\$ 1,340,970
Due from other governments	93,870
Total Assets	\$ 1,434,840
Liabilities	
Due to other governments	\$ 1,434,840
Total Liabilities	\$ 1,434,840

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In 2013, the Regional Office of Education #45 implemented Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 61, *The Financial Reporting Entity; Omnibus-an amendment of GASB Statements No. 14 and No. 34*; and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Regional Office of Education #45 implemented these standards during the current year; however, GASB Statement No. 60 and GASB Statement No. 61 had no impact on the financial statements. The implementation of GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflow of resources.

A. Date of Management's Review

Management has evaluated subsequent events through February 27, 2014, the date when the financial statements were available to be issued.

B. Financial Reporting Entity

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

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

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 the Regional Superintendent's control are properly bonded.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Reporting Entity (Concluded)

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

For the period ended June 30, 2013, the Regional Office of Education #45 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #45. Such activities are reported as a single major special revenue fund (Education Fund).

C. Scope of the Reporting Entity

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

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

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

D. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #45's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education #45 also has business-type activities that rely on fees and charges for support.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Position and as other sources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities those transactions between governmental and business-type activities have not been eliminated.

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

E. Proprietary Fund Financial Statements

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

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Proprietary Fund Financial Statements (Concluded)

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

F. Governmental Fund Financial Statements

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

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

G. Measurement Focus and Basis of Accounting

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

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

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Measurement Focus and Basis of Accounting (Concluded)

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

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

H. Fund Accounting

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

Governmental Funds

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

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

Adult Volunteer Literacy Grant Program – This program provides free one-on-one tutoring for adults who want to improve their basic reading and math skills and for English as a Second Language students. The Regional Office of Education #45 provides the training and the teaching materials for the volunteer tutors and the books and materials for the students.

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

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

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

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

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

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

Area-Wide I-RTI Network Instructional Leader - This fund provides an area-wide instructional leader, area-wide assistant, and lead coach for the Area V Regional Offices of Education.

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

Title II Teacher Quality - Leadership - The purpose of this program is to provide training and professional development for the improvement of teacher preparation programs.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Concluded)

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.

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

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

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Concluded)

Fiduciary Funds (Concluded)

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

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

Area V Trail – This fund receives and disburses monies for workshops provided and paid for by all the Area V Regional Offices of Education.

State Trail – This fund receives and disburses monies for workshops provided and paid for by the Regional Offices of Education State-wide.

I. Governmental Fund Balances

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

Nonspendable Fund Balance – The portion of a governmental fund’s net position that is not available to be spent, either short term or long term, in either form or through legal restrictions. The General Fund and Waterloo Office Accounts have a nonspendable fund balance.

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

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

Assigned Fund Balance – The portion of a governmental fund’s net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following Education Fund account has an assigned fund balance: Film Co-op.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: Chester Office, Waterloo Office, General State Aid, and County.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Net Position

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

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

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

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

K. Cash and Cash Equivalents

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

L. Capital Assets

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

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

M. Interfund Receivables and Payables

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

N. Estimates

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

O. Budget Information

The Regional Office of Education #45 acts as the administrative agent for certain grant programs that are accounted for within the General Fund and the Education Fund. These programs have separate budgets and are required to be reported to the Illinois State Board of Education and Illinois Community College Board; however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the General Fund and the Special Revenue Fund do not have separate budgets.

Comparisons of budgeted and actual results for the following programs are presented as supplementary information: Adult Education - Federal Basic, Adult Education - Public Assistance, Adult Education - State Basic, Adult Education - State Performance, Adult Volunteer Literacy Grant Program, Secretary of State Family Literacy Program, Regional Safe Schools, Mathematics and Science Partnership, Rural Education Achievement Program, McKinney Vento Education for Homeless Children, Area-Wide I-RTI Network Instructional Leader, ROE/ISC Operations, Title II Teacher Quality - Leadership, and Truants Alternative Optional Education.

P. Compensated Absences

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

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

Q. Prepaid Expenses

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

NOTE 2: CASH AND CASH EQUIVALENTS

Illinois Compiled Statutes authorize the Regional Office of Education #45 to make deposits and invest in U.S. Government, State of Illinois and municipal securities, certificates of deposit or time savings deposits insured by the FDIC, mortgage notes, bonds, or debentures issued by the Federal Housing Administration, bonds and other obligations of the Federal National Mortgage Association, commercial paper rated within the three highest classifications by at least two standard rating services, credit union shares, and the Illinois Public Treasurer's Investment Pool.

At June 30, 2013, the carrying amount of the Regional Office of Education #45's government-wide and fiduciary fund deposits were \$754,506 and \$1,340,970 respectively, and the bank balances were \$834,418 and \$1,365,916 respectively.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)

At June 30, 2013, \$1,000,000 of the Regional Office of Education #45's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$1,200,334 was collateralized by securities pledged by the Regional Office of Education #45's financial institutions in the name of the Regional Office.

Credit Risk

The Regional Office of Education #45 is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code. The Regional Office of Education #45 has no investment policy that would further limit its investment choices. As of June 30, 2013 the Regional Office of Education #45 was in compliance with these guidelines.

Interest Rate Risk

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

Custodial Credit Risk

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

NOTE 3: DEFINED BENEFIT PENSION PLAN

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

Funding Policy. As set by statute, the Regional Office of Education #45's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education #45's annual required contribution rate for calendar year 2012 was 22.10%. The Regional Office of Education #45 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

Annual Pension Cost. The required contribution for calendar year 2012 was \$89,738.

THREE YEAR TREND INFORMATION

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 89,738	100%	\$ 0
12/31/11	90,759	100%	0
12/31/10	79,082	100%	0

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included a) 7.5% investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education #45's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #45's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 10 year basis.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 38.94% funded. The actuarial accrued liability for benefits was \$855,041 and the actuarial value of assets was \$332,975, resulting in an underfunded actuarial accrued liability (UAAL) of \$522,066. The payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$406,054 and the ratio of the UAAL to the covered payroll was 129%.

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2013, was 9.4% of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4% for the years ended June 30, 2012 and 2011.

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

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #45. For the year ended June 30, 2013, the State of Illinois contributions were based on 28.05% of creditable earnings not paid from federal funds, and the Regional Office of Education #45 recognized revenue and expenditures of \$79,875 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91% (\$79,967) and 23.10% (\$84,286), respectively.

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

- **2.2 formula contributions.** Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2013 were \$1,170. Contributions for the years ending June 30, 2012, and June 30, 2011, were \$1,412 and \$1,054, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #45, there is a statutory requirement for the Regional Office of Education #45 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2013, the employer pension contribution was 28.05% of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91% and 23.10% of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling \$99,574 were paid from federal and special trust funds that required employer contributions of \$27,930. For the years ended June 30, 2012 and June 30, 2011, required Regional Office of Education #45 contributions were \$28,079 and \$15,496 respectively.

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

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

Early retirement option (Concluded). The maximum employer ERO contribution under the current program is 117.5% and applies when the member is age 55 at retirement.

For the year ended June 30, 2013, the Regional Office of Education #45 paid no employer contributions to TRS under the ERO program. For the years ended June 30, 2012 and June 30, 2011, the Regional Office of Education #45 paid no employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** If the Regional Office of Education #45 grants salary increases over 6% and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #45 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6%.

For the year ended June 30, 2013, the Regional Office of Education #45 paid \$5,118 to TRS for employer contributions due on salary increases in excess of 6%. For the years ended June 30, 2012 and June 30, 2011, the Regional Office of Education #45 paid \$0 to TRS for employer contributions due on salary increases in excess of 6%.

If the Regional Office of Education #45 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, Regional Office of Education #45 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the Regional Office of Education #45 during the four-year sick leave review period, and the TRS total normal cost rate (17.63% of salary during the year ended June 30, 2013).

For the year ended June 30, 2013, the Regional Office of Education #45 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2012 and 2011, the Regional Office of Education #45 paid no employer contributions granted for sick leave days.

Further information on TRS. TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013.

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 5: OTHER POSTEMPLOYMENT COMMITMENTS

A. Teacher Health Insurance Security Fund

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by Illinois Department of Central Management services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

- **On-behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #45. State contributions are intended to match contributions to the THIS Fund from active members which were 0.92% of pay during the year ended June 30, 2013. State of Illinois contributions were \$1,856, and the Regional Office of Education #45 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2012 and June 30, 2011 were 0.88% of pay both years. State contributions on behalf of the Regional Office of Education #45's employees were \$2,143 and \$1,599, respectively.

- **Employer contributions to THIS Fund.** The Regional Office of Education #45 also makes contributions to THIS Fund. The Regional Office of Education #45's contribution was 0.69% during the years ended June 30, 2013 and 0.66% during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the Regional Office of Education #45 paid \$1,392 to the THIS Fund. For the years ended June 30, 2012 and 2011, the Regional Office of Education #45 paid \$1,607 and \$1,199 to the THIS Fund, respectively, which was 100% of the required contribution.

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 5: OTHER POSTEMPLOYEMENT COMMITMENTS (CONCLUDED)

B. Egyptian Area Schools Employee Benefit Trust

Plan Description. The Regional Office of Education #45 contributes to the Egyptian Area Schools Employee Benefit Trust (the “Trust”), a cost-sharing multiple-employer defined benefit health care plan administered by the Board of Managers of the Trust. The Trust provides medical benefits to active and retired employees of approximately 180 participating employers. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. A copy of the report may be obtained by writing to the Egyptian Area Schools Employee Benefit Trust, c/o Meritain Health, 1109 Hartman Lane, Suite 202, Shiloh, IL 62221, or by calling Meritain Health at (618) 509-6082. The financial report is also posted on the Trust’s website at www.egtrust.org.

Funding Policy. The Trust Agreement establishing the Trust provides that contribution rates are established and may be modified by the Board of Managers of the Trust. Contribution rates are normally adjusted as of September 1 each year. As of June 30, 2013, participating employers were contractually required to contribute at the following rates for active and retired employees and dependents.

	Platinum Plan	Gold Plan	Silver Plan	Bronze Plan
Employee (Retiree)	\$686	\$620	\$535	\$456
Employee + spouse	\$1,416	\$1,278	\$1,069	\$938
Employee + child(ren)	\$1,368	\$1,232	\$1,069	\$920
Family	\$1,524	\$1,374	\$1,194	\$1,012

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

The Board of Managers of the Trust sets the employer contribution rates each year based on an actuarial valuation. The Trust’s actuary has determined that as of June 30, 2013 the contribution rates exceed the Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Regional Office of Education #45’s contributions to the Trust for the years ending June 30, 2013, June 30, 2012 and June 30, 2011, were \$83,202, \$76,675 and \$69,104, respectively, which equaled the contractually required contributions each year.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 6: INTERFUND RECEIVABLES AND PAYABLES

Interfund due to / from other fund balances at June 30, 2013 consist of the following individual due to / from other funds in the governmental fund Balance Sheet. These balances were eliminated in the government-wide Statement of Position.

Fund	Due From	Due to
General Fund		
Office Account-Chester Office	\$ 11,829	\$ -
Office Account-Waterloo Office	62,300	-
General State Aid	4,487	-
Education Fund		
Chester Office		
Adult Education-Public Assistance	-	86
Adult Education-State Basic	-	2,731
Adult Education-State Performance	-	1,325
Regional Safe Schools	-	4,487
Mathematics and Science Partnerships (2013-4936-20)	-	7,687
Waterloo Office		
Mathematics and Science Partnerships (2013-4936-21)	-	30,185
McKinney Vento Education for Homeless Children	-	3,277
Area-Wide I-RTI Network Instructional Leader	-	20,608
ROE/ISC Operations	-	2,000
Title II Teacher Quality – Leadership	-	3,990
Truants Alternative Optional Education	-	2,240
	<u>\$ 78,616</u>	<u>\$ 78,616</u>

NOTE 7: DUE TO/DUE FROM OTHER GOVERNMENTAL UNITS

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

Due from Other Governments:

General Fund - Chester Office Account - Local Governments	\$ 466
General Fund - Waterloo Office Account - Local Governments	20,240
Special Revenue Fund – Education Fund	
Illinois State Board of Education	51,302
Illinois Community College Board	4,142
Local Governments	24,181
Nonmajor Special Revenue Fund	
Teacher's Institute Fund – Local Governments	1,000
General Education Development Fund - Local Governments	130
Proprietary Fund - Registration Fund - Local Governments	650

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

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

Due from Other Governments (Concluded):

Fiduciary Fund - Distributive Fund - Illinois State Board of Education	51,484
Fiduciary Fund - Human Services Educational/Vocational Project Funds - Illinois State Board of Education	34,741
Fiduciary Fund - Area V Trail - Local Governments	480
Fiduciary Fund - State Trail - Local Governments	7,165
Total	\$ 195,981

Due to Other Governments:

Proprietary Fund - Registration Fund - Lindenwood University	\$ 1,800
Fiduciary Fund - Distributive Fund - Local School Districts and Other Entities	51,484
Fiduciary Fund - Human Services Educational/Vocational Project Funds - Local School Districts and Other Entities	1,318,777
Fiduciary Fund - Area V Trail - Local Governments	25,415
Fiduciary Fund - State Trail - Local Governments	39,164
Total	\$ 1,436,640

NOTE 8: CAPITAL ASSETS

Governmental Activities

Capital asset activity for fiscal year 2013 was as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Governmental Funds				
Total Capital Assets	\$ 164,539	\$ 7,515	\$ 1,100	\$ 170,954
Less: Accumulated Depreciation	123,835	10,567	1,100	133,302
Governmental Funds				
Investment in Capital Assets, Net	\$ 40,704	\$ (3,052)	\$ -	\$ 37,652

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 8: CAPITAL ASSETS (CONCLUDED)

Business-Type Activities

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Business-type Activities				
Total Capital Assets	\$ 4,904	\$ -	\$ -	\$ 4,904
Less: Accumulated Depreciation	793	844	-	1,637
Business-type Activities				
Investment in Capital Assets, Net	\$ 4,111	\$ (844)	\$ -	\$ 3,267

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$10,567 and \$844 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities for the year ended June 30, 2013. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

NOTE 9: DISTRIBUTIVE FUND INTEREST

A written agreement between the Regional Office of Education #45's school boards, which receive funds through the Regional Office of Education #45, provides for the retention of interest earned on the State Distributive Fund checking account by the Regional Superintendent to be used for the benefit of all of the districts in the region. During the year, the distributive fund earned interest of \$34. At June 30, 2013 all accumulated interest had been distributed.

NOTE 10: RISK MANAGEMENT

The Regional Office of Education #45 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Regional Office of Education #45 has purchased commercial insurance to cover these risks. During the year ended June 30, 2013, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 11: ON-BEHALF PAYMENTS

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

Regional Superintendent Salary	\$	103,032
Regional Superintendent Fringe Benefits (Includes State paid insurance)		34,721
Assistant Regional Superintendent Salary		92,736
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)		34,096
TRS Pension Contributions		79,875
THIS Fund Contributions		<u>1,856</u>
 Total	 \$	 <u>346,316</u>

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

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

NOTE 12: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

No funds/fund accounts had deficit fund balances at June 30, 2013.

NOTE 13: OPERATING LEASES

Lease 1: On December 1, 2011 the Regional Office of Education #45 entered into a one year lease agreement for rental of 107 East Mill Street, Waterloo (Waterloo Regional Office building) beginning December 1, 2011 and terminating November 30, 2012. The Regional Office of Education #45 renewed the lease starting December 1, 2012 and terminating November 30, 2013. The lease is payable in monthly installments of \$1,800. Lease expense for the office building for fiscal year 2013 was \$21,600.

Lease 2: On June 15, 2012 the Regional Office of Education #45 entered into a lease agreement for a postage meter held at the Chester office for 36 months beginning July 1, 2012 through June 30, 2015. The lease is payable in quarterly amounts of \$60. Total lease expense for fiscal year 2013 was \$240.

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 13: OPERATING LEASES (CONCLUDED)

Lease 3: On June 21, 2010 the Regional Office of Education #45 entered into a lease agreement for rental of the building known as “brick school” for three years beginning July 1, 2010 and terminating June 30, 2013. The Regional Office of Education renewed the lease starting July 1, 2013 and terminating June 30, 2016. The lease is payable in monthly installments of \$875 per month. Lease expense for the “brick school” for fiscal year 2013 was \$10,500.

Lease 4: On August 1, 1999 the Regional Office of Education #45 entered into a month-to-month lease agreement for rental of a storage stall in Chester. The lease is payable on a monthly basis with a monthly rental fee of \$40. Rent expense for the storage unit for fiscal year 2013 was \$480.

Lease 5: On August 18, 2007 the Regional Office of Education #45 entered into a lease agreement for 5 years and 3 months for a postage meter held at the Waterloo Office beginning September 1, 2007 through December 30, 2012. The lease is payable in quarterly payments of \$177. The lease expense for fiscal year 2013 was \$354. This lease was replaced by lease 9 as discussed below.

Lease 6: On October 21, 2009, the Regional Office of Education #45 entered into a lease agreement for rental of a copier kept at the Waterloo office building for 5 years and 3 months beginning with December 1, 2009 and terminating February 28, 2015. The lease is payable in monthly installments of \$257. Lease expense for the copier for fiscal year 2013 was \$3,084.

Lease 7: On October 21, 2009, the Regional Office of Education #45 entered into a lease agreement for rental of a copier kept at the Red Brick School for 5 years and 3 months beginning with December 1, 2009 and terminating February 28, 2015. The lease is payable in monthly installments of \$248. Lease expense for the copier for fiscal year 2013 was \$2,976.

Lease 8: On October 21, 2009, the Regional Office of Education #45 entered into a lease agreement for rental of a copier kept at the Chester office building for 5 years and 3 months beginning with December 1, 2009 and terminating February 28, 2015. The lease is payable in monthly installments of \$214. Lease expense for the copier for fiscal year 2013 was \$2,568.

Lease 9: On September 26, 2012, the Regional Office of Education #45 entered into a lease agreement for 3 years for a postage meter held at the Waterloo Office beginning November 1, 2012 through October 31, 2015. The lease is payable in quarterly payments of \$78. The lease expense for fiscal year 2013 was \$156.

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

Fiscal Year		
2014	\$	28,680
2015		16,804
2016		10,656
	\$	56,140

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

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
June 30, 2013**

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)
12/31/12	\$332,975	\$855,041	\$522,066	38.94%	\$406,054	128.57%
12/31/11	\$638,242	\$1,182,469	\$544,227	53.98%	\$417,285	130.42%
12/31/10	\$862,947	\$1,374,834	\$511,887	62.77%	\$406,172	126.03%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$375,263. On a market basis, the funded ratio would be 43.89%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Monroe and Randolph Counties Regional Office of Education #45. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

OTHER SUPPLEMENTAL INFORMATION

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2013**

	Office Account		General State Aid	County Account	Total
	Chester	Waterloo	Chester	Waterloo	
Assets					
Cash and cash equivalents	\$ 57,411	\$ 119,487	\$ 236,963	\$ 55,386	\$ 469,247
Due from other funds	11,829	62,300	4,487	-	78,616
Due from other governments	466	20,240	-	-	20,706
Prepaid expenses	-	5,977	-	-	5,977
Total Assets	<u>\$ 69,706</u>	<u>\$ 208,004</u>	<u>\$ 241,450</u>	<u>\$ 55,386</u>	<u>\$ 574,546</u>
Liabilities					
Accrued wages and benefits	\$ -	\$ 5,428	\$ -	\$ -	\$ 5,428
Deferred revenue	85	988	-	-	1,073
Total Liabilities	<u>85</u>	<u>6,416</u>	<u>-</u>	<u>-</u>	<u>6,501</u>
Fund Balance					
Nonspendable	-	5,977	-	-	5,977
Unassigned	69,621	195,611	241,450	55,386	562,068
Total Fund Balances	<u>69,621</u>	<u>201,588</u>	<u>241,450</u>	<u>55,386</u>	<u>568,045</u>
Total Liabilities and Fund Balances	<u>\$ 69,706</u>	<u>\$ 208,004</u>	<u>\$ 241,450</u>	<u>\$ 55,386</u>	<u>\$ 574,546</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2013**

	Office Account		General State Aid	County Account		Total
	Chester	Waterloo	Chester	Waterloo		
Revenues						
Local sources	\$ 822	\$ 44,423	\$ 54,499	\$ 204,804	\$ 304,548	
State sources	-	-	124,928	-	124,928	
State sources - On Behalf Payments	-	346,316	-	-	346,316	
Federal sources	-	-	7,515	-	7,515	
Total Revenue	<u>822</u>	<u>390,739</u>	<u>186,942</u>	<u>204,804</u>	<u>783,307</u>	
Expenditures						
Salaries	-	19,810	109,164	96,689	225,663	
Employee benefits	-	10,208	32,408	45,353	87,969	
Purchased services	893	20,889	29,959	53,179	104,920	
Supplies and materials	287	-	11,243	3,773	15,303	
Capital outlay	-	-	695	590	1,285	
Other	50	1,088	-	8,291	9,429	
Payments made on behalf of region	-	346,316	-	-	346,316	
Total Expenditures	<u>1,230</u>	<u>398,311</u>	<u>183,469</u>	<u>207,875</u>	<u>790,885</u>	
Excess (Deficiency) of Revenues Over Expenditures	<u>(408)</u>	<u>(7,572)</u>	<u>3,473</u>	<u>(3,071)</u>	<u>(7,578)</u>	
Other Financing Sources (Uses)						
Interest	<u>29</u>	<u>472</u>	<u>101</u>	<u>103</u>	<u>705</u>	
Total Other Financing Sources (Uses)	<u>29</u>	<u>472</u>	<u>101</u>	<u>103</u>	<u>705</u>	
Net Change in Fund Balance	(379)	(7,100)	3,574	(2,968)	(6,873)	
Fund Balance - Beginning	<u>70,000</u>	<u>208,688</u>	<u>237,876</u>	<u>58,354</u>	<u>574,918</u>	
Fund Balance - Ending	<u>\$ 69,621</u>	<u>\$ 201,588</u>	<u>\$ 241,450</u>	<u>\$ 55,386</u>	<u>\$ 568,045</u>	

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2013**

	Education Fund		
	Chester	Waterloo	Total
Assets			
Cash and cash equivalents	\$ -	\$ 1,767	\$ 1,767
Due from other governments	16,316	63,309	79,625
Prepaid expenses	-	150	150
	\$ 16,316	\$ 65,226	\$ 81,542
Liabilities			
Accounts payable	\$ -	\$ 1,159	\$ 1,159
Due to other funds	16,316	62,300	78,616
Total Liabilities	16,316	63,459	79,775
Fund Balance			
Assigned	-	1,767	1,767
Total Fund Balance	-	1,767	1,767
Total Liabilities and Fund Balance	\$ 16,316	\$ 65,226	\$ 81,542

**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, 2013**

	Education Fund		
	Chester	Waterloo	Total
Revenues			
Local sources	\$ 26	\$ -	\$ 26
State sources	157,396	76,246	233,642
Federal sources	240,357	411,082	651,439
Total Revenues	<u>397,779</u>	<u>487,328</u>	<u>885,107</u>
Expenditures			
Salaries	161,371	190,035	351,406
Employee benefits	42,007	54,472	96,479
Purchased services	49,036	164,257	213,293
Supplies and materials	21,092	23,848	44,940
Capital outlay	6,230	-	6,230
Other	3	-	3
Payments to other governments	118,043	57,518	175,561
Total Expenditures	<u>397,782</u>	<u>490,130</u>	<u>887,912</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3)</u>	<u>(2,802)</u>	<u>(2,805)</u>
Other Financing Sources (Uses)			
Interest	<u>3</u>	<u>8</u>	<u>11</u>
Total Other Financing Sources (Uses)	<u>3</u>	<u>8</u>	<u>11</u>
Net Change in Fund Balance	-	(2,794)	(2,794)
Fund Balance - Beginning	<u>-</u>	<u>4,561</u>	<u>4,561</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,767</u>	<u>\$ 1,767</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
CHESTER OFFICE
June 30, 2013**

	Adult Education Programs	Adult Volunteer Literacy Grant Program	Secretary of State Family Literacy Program	Regional Safe Schools
Assets				
Due from other governments	\$ 4,142	\$ -	\$ -	\$ 4,487
Total Assets	\$ 4,142	\$ -	\$ -	\$ 4,487
Liabilities				
Due to other funds	\$ 4,142	\$ -	\$ -	\$ 4,487
Total Liabilities	4,142	-	-	4,487
Fund Balance				
Unassigned	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ 4,142	\$ -	\$ -	\$ 4,487

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
CHESTER OFFICE
June 30, 2013**

	<u>Mathematics and Science Partnership (2013-4936-20)</u>	<u>Mathematics and Science Partnership (2012-4936-20)</u>	<u>Mathematics and Science Partnership (2012-4936-10)</u>	<u>Total</u>
Assets				
Due from other governments	\$ 7,687	\$ -	\$ -	\$ 16,316
Total Assets	<u>\$ 7,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,316</u>
Liabilities				
Due to other funds	\$ 7,687	\$ -	\$ -	\$ 16,316
Total Liabilities	<u>7,687</u>	<u>-</u>	<u>-</u>	<u>16,316</u>
Fund Balance				
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 7,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,316</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
For the Year Ended June 30, 2013**

	Adult Education Programs	Adult Volunteer Literacy Grant Program	Secretary of State Family Literacy Program	Regional Safe Schools
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	49,706	25,478	28,478	53,734
Federal sources	31,448	-	-	-
Total Revenues	<u>81,154</u>	<u>25,478</u>	<u>28,478</u>	<u>53,734</u>
Expenditures				
Salaries	47,449	14,500	22,519	41,869
Employee benefits	17,954	5,793	2,961	2,728
Purchased services	5,015	3,486	1,249	5,586
Supplies and materials	4,506	1,699	1,749	3,551
Capital outlay	6,230	-	-	-
Other	2	1	-	-
Payments to other governments	-	-	-	-
Total Expenditures	<u>81,156</u>	<u>25,479</u>	<u>28,478</u>	<u>53,734</u>
Excess (Deficiency) of Revenues Over Expenditures	(2)	(1)	-	-
Other Financing Sources (Uses)				
Interest	2	1	-	-
Total Other Financing Sources (Uses)	<u>2</u>	<u>1</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>

**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, 2013**

	Mathematics and Science Partnership (2013-4936-20)	Mathematics and Science Partnership (2012-4936-20)	Mathematics and Science Partnership (2012-4936-10)	Total
Revenues				
Local sources	\$ -	\$ 26	\$ -	\$ 26
State sources	-	-	-	157,396
Federal sources	75,485	119,983	13,441	240,357
Total Revenues	<u>75,485</u>	<u>120,009</u>	<u>13,441</u>	<u>397,779</u>
Expenditures				
Salaries	16,297	11,867	6,870	161,371
Employee benefits	5,946	4,163	2,462	42,007
Purchased services	16,009	13,582	4,109	49,036
Supplies and materials	1,263	8,324	-	21,092
Capital outlay	-	-	-	6,230
Other	-	-	-	3
Payments to other governments	35,970	82,073	-	118,043
Total Expenditures	<u>75,485</u>	<u>120,009</u>	<u>13,441</u>	<u>397,782</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	(3)
Other Financing Sources (Uses)				
Interest	-	-	-	3
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</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>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
ADULT EDUCATION PROGRAMS
CHESTER OFFICE
June 30, 2013**

	<u>Federal Basic</u>	<u>Public Assistance</u>	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
Assets					
Due from other governments	\$ -	\$ 86	\$ 2,731	\$ 1,325	\$ 4,142
Total Assets	<u>\$ -</u>	<u>\$ 86</u>	<u>\$ 2,731</u>	<u>\$ 1,325</u>	<u>\$ 4,142</u>
Total Liabilities					
Due to other funds	\$ -	\$ 86	\$ 2,731	\$ 1,325	\$ 4,142
Total Liabilities	<u>-</u>	<u>86</u>	<u>2,731</u>	<u>1,325</u>	<u>4,142</u>
Fund Balance					
Unassigned	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 86</u>	<u>\$ 2,731</u>	<u>\$ 1,325</u>	<u>\$ 4,142</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
ADULT EDUCATION PROGRAMS
CHESTER OFFICE
For the Year Ended June 30, 2013**

	<u>Federal Basic</u>	<u>Public Assistance</u>	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
Revenues					
State sources	\$ -	\$ 1,033	\$ 32,772	\$ 15,901	\$ 49,706
Federal sources	31,448	-	-	-	31,448
Total Revenues	<u>31,448</u>	<u>1,033</u>	<u>32,772</u>	<u>15,901</u>	<u>81,154</u>
Expenditures					
Salaries	15,235	644	20,139	11,431	47,449
Employee benefits	8,175	49	8,323	1,407	17,954
Purchased services	769	290	2,545	1,411	5,015
Supplies and materials	1,039	50	1,765	1,652	4,506
Capital outlay	6,230	-	-	-	6,230
Other	2	-	-	-	2
Total Expenditures	<u>31,450</u>	<u>1,033</u>	<u>32,772</u>	<u>15,901</u>	<u>81,156</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>
Other Financing Sources (Uses)					
Interest	2	-	-	-	2
Total Other Financing Sources (Uses)	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</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>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2012 to June 30, 2013)
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - FEDERAL BASIC
For the Year Ended June 30, 2013
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 31,448	\$ 31,448	\$ 31,448
Total Revenues	<u>31,448</u>	<u>31,448</u>	<u>31,448</u>
Expenditures			
Salaries	19,885	19,885	15,235
Employee benefits	9,889	9,889	8,175
Purchased services	1,457	1,457	769
Supplies and materials	217	217	1,039
Capital outlay	-	-	6,230
Other	-	-	2
Total Expenditures	<u>31,448</u>	<u>31,448</u>	<u>31,450</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>
Other Financing Sources (Uses)			
Interest	-	-	2
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2012 to June 30, 2013)
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - PUBLIC ASSISTANCE
For the Year Ended June 30, 2013
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 1,033	\$ 1,033	\$ 1,033
Total Revenues	<u>1,033</u>	<u>1,033</u>	<u>1,033</u>
Expenditures			
Salaries	650	650	644
Employee benefits	50	50	49
Purchased services	283	283	290
Supplies and materials	50	50	50
Total Expenditures	<u>1,033</u>	<u>1,033</u>	<u>1,033</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2012 to June 30, 2013)
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - STATE BASIC
For the Year Ended June 30, 2013
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 32,772	\$ 32,772	\$ 32,772
Total Revenues	<u>32,772</u>	<u>32,772</u>	<u>32,772</u>
Expenditures			
Salaries	19,130	19,130	20,139
Employee benefits	9,202	9,202	8,323
Purchased services	2,438	2,438	2,545
Supplies and materials	2,002	2,002	1,765
Total Expenditures	<u>32,772</u>	<u>32,772</u>	<u>32,772</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2012 to June 30, 2013)
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - STATE PERFORMANCE
For the Year Ended June 30, 2013
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 15,901	\$ 15,901	\$ 15,901
Total Revenues	<u>15,901</u>	<u>15,901</u>	<u>15,901</u>
Expenditures			
Salaries	10,930	10,930	11,431
Employee benefits	2,592	2,592	1,407
Purchased services	1,550	1,550	1,411
Supplies and materials	829	829	1,652
Total Expenditures	<u>15,901</u>	<u>15,901</u>	<u>15,901</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2012 to June 30, 2013)
EDUCATION FUND ACCOUNTS
ADULT VOLUNTEER LITERACY GRANT PROGRAM
For the Year Ended June 30, 2013
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 25,000	\$ 25,478	\$ 25,478
Total Revenues	<u>25,000</u>	<u>25,478</u>	<u>25,478</u>
Expenditures:			
Salaries	20,450	20,450	14,500
Employee benefits	-	-	5,793
Purchased services	2,400	2,550	3,486
Supplies and materials	2,150	2,478	1,699
Other	-	-	1
Total Expenditures	<u>25,000</u>	<u>25,478</u>	<u>25,479</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1)</u>
Other Financing Sources (Uses)			
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2012 to June 30, 2013)
EDUCATION FUND ACCOUNTS
SECRETARY OF STATE FAMILY LITERACY PROGRAM
For the Year Ended June 30, 2013
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 28,000	\$ 28,478	\$ 28,478
Total Revenues	<u>28,000</u>	<u>28,478</u>	<u>28,478</u>
Expenditures:			
Salaries	25,694	25,894	22,519
Employee benefits	-	-	2,961
Purchased services	1,306	1,256	1,249
Supplies and materials	1,000	1,328	1,749
Total Expenditures	<u>28,000</u>	<u>28,478</u>	<u>28,478</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2012 to June 30, 2013)
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS
For the Year Ended June 30, 2013
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 53,734	\$ 53,734	\$ 53,734
Total Revenues	<u>53,734</u>	<u>53,734</u>	<u>53,734</u>
Expenditures			
Salaries	41,666	41,666	41,869
Employee benefits	2,237	2,237	2,728
Purchased services	6,472	6,472	5,586
Supplies and materials	3,359	3,359	3,551
Total Expenditures	<u>53,734</u>	<u>53,734</u>	<u>53,734</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2012 to September 30, 2013)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (2013-4936-20)
For the Year Ended June 30, 2013
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 100,000	\$ 100,000	\$ 75,485
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>75,485</u>
Expenditures			
Salaries	20,860	20,860	16,297
Employee benefits	8,109	8,109	5,946
Purchased services	28,917	28,917	16,009
Supplies and materials	1,652	1,652	1,263
Payments to other governments	40,462	40,462	35,970
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>75,485</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2011 to September 30, 2012)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (2012-4936-20)
For the Year Ended June 30, 2013
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Local sources	\$ -	\$ -	\$ 26
Federal sources	225,000	225,000	119,983
Total Revenues	<u>225,000</u>	<u>225,000</u>	<u>120,009</u>
Expenditures			
Salaries	28,306	28,306	11,867
Employee benefits	9,095	9,095	4,163
Purchased services	32,795	32,795	13,582
Supplies and materials	36,104	36,104	8,324
Payments to other governments	118,700	118,700	82,073
Total Expenditures	<u>225,000</u>	<u>225,000</u>	<u>120,009</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of August 16, 2011 to September 30, 2012)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (2012-4936-10)
For the Year Ended June 30, 2013
Chester Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 100,000	\$ 100,000	\$ 13,441
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>13,441</u>
Expenditures			
Salaries	23,110	23,110	6,870
Employee benefits	8,949	8,949	2,462
Purchased services	26,205	26,205	4,109
Supplies and materials	6,836	6,836	-
Payments to other governments	34,900	34,900	-
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>13,441</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
WATERLOO OFFICE
June 30, 2013**

	Mathematics and Science Partnership (2013-4936-21)	Mathematics and Science Partnership (2012-4936-21)	Film Co-op	Rural Education Achievement Program	McKinney Vento Education for Homeless Children (2012)	McKinney Vento Education for Homeless Children (2013)
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ 1,767	\$ -	\$ -	\$ -
Due from other governments	30,898	-	-	-	-	3,277
Prepaid expenses	150	-	-	-	-	-
Total Assets	<u>\$ 31,048</u>	<u>\$ -</u>	<u>\$ 1,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,277</u>
Liabilities						
Accounts payable	\$ 863	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	30,185	-	-	-	-	3,277
Total Liabilities	<u>31,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,277</u>
Fund Balance						
Assigned	-	-	1,767	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>1,767</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 31,048</u>	<u>\$ -</u>	<u>\$ 1,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,277</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
WATERLOO OFFICE
June 30, 2013**

	Area-Wide I-RTI Network Instructional Leader (2012)	Area-Wide I-RTI Network Instructional Leader (2013)	ROE/ISC Operations	Title II Teacher Quality Leadership	We the People Citizen Project	Truants Alternative Optional Education	Total
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,767
Due from other governments	-	20,904	2,000	3,990	-	2,240	63,309
Prepaid expenses	-	-	-	-	-	-	150
Total Assets	\$ -	\$ 20,904	\$ 2,000	\$ 3,990	\$ -	\$ 2,240	\$ 65,226
Liabilities							
Accounts payable	\$ -	\$ 296	\$ -	\$ -	\$ -	\$ -	\$ 1,159
Due to other funds	-	20,608	2,000	3,990	-	2,240	62,300
Total Liabilities	-	20,904	2,000	3,990	-	2,240	63,459
Fund Balance							
Assigned	-	-	-	-	-	-	1,767
Total Fund Balances	-	-	-	-	-	-	1,767
Total Liabilities and Fund Balances	\$ -	\$ 20,904	\$ 2,000	\$ 3,990	\$ -	\$ 2,240	\$ 65,226

**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, 2013**

	Mathematics and Science Partnership (2013-4936-21)	Mathematics and Science Partnership (2012-4936-21)	Film Co-op	Rural Education Achievement Program	McKinney Vento Education for Homeless Children (2012)	McKinney Vento Education for Homeless Children (2013)
Revenues						
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	56,269	167,212	-	1,487	2,997	16,229
Total Revenues	<u>56,269</u>	<u>167,212</u>	<u>-</u>	<u>1,487</u>	<u>2,997</u>	<u>16,229</u>
Expenditures						
Salaries	8,010	10,894	-	-	1,275	12,495
Employee benefits	2,938	4,765	-	-	19	181
Purchased services	39,579	84,507	1,790	-	144	1,712
Supplies and materials	697	16,060	862	-	1,559	1,841
Payments to other governments	5,045	50,986	-	1,487	-	-
Total Expenditures	<u>56,269</u>	<u>167,212</u>	<u>2,652</u>	<u>1,487</u>	<u>2,997</u>	<u>16,229</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(2,652)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)						
Interest	-	-	8	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	(2,644)	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>4,411</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
For the Year Ended June 30, 2013**

	Area-Wide I-RTI Network Instructional Leader (2012)	Area-Wide I-RTI Network Instructional Leader (2013)	ROE/ISC Operations	Title II Teacher Quality Leadership	We the People Citizen Project	Truants Alternative Optional Education	Total
Revenues							
State sources	\$ -	\$ -	\$ 25,506	\$ -	\$ -	\$ 50,740	\$ 76,246
Federal sources	39,504	123,394	-	3,990	-	-	411,082
Total Revenues	<u>39,504</u>	<u>123,394</u>	<u>25,506</u>	<u>3,990</u>	<u>-</u>	<u>50,740</u>	<u>487,328</u>
Expenditures							
Salaries	25,020	84,494	7,617	137	-	40,093	190,035
Employee benefits	10,804	28,290	3,148	52	-	4,275	54,472
Purchased services	2,005	10,249	14,006	3,801	150	6,314	164,257
Supplies and materials	1,675	361	735	-	-	58	23,848
Payments to other governments	-	-	-	-	-	-	57,518
Total Expenditures	<u>39,504</u>	<u>123,394</u>	<u>25,506</u>	<u>3,990</u>	<u>150</u>	<u>50,740</u>	<u>490,130</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150)</u>	<u>-</u>	<u>(2,802)</u>
Other Financing Sources (Uses)							
Interest	-	-	-	-	-	-	8
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
Net Change in Fund Balance	-	-	-	-	(150)	-	(2,794)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150</u>	<u>-</u>	<u>4,561</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,767</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2012 to September 30, 2013)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (2013-4936-21)
For the Year Ended June 30, 2013
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 100,000	\$ 100,000	\$ 56,269
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>56,269</u>
Expenditures			
Salaries	9,750	9,750	8,010
Employee benefits	4,299	4,299	2,938
Purchased services	54,533	54,533	39,579
Supplies and materials	3,051	3,051	697
Payments to other governments	28,367	28,367	5,045
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>56,269</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2011 to September 30, 2012)
EDUCATION FUND ACCOUNTS
MATHEMATICS AND SCIENCE PARTNERSHIP (2012-4936-21)
For the Year Ended June 30, 2013
Waterloo Office

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 225,000	\$ 225,000	\$ 167,212
Total Revenues	<u>225,000</u>	<u>225,000</u>	<u>167,212</u>
Expenditures			
Salaries	18,406	20,406	10,894
Employee benefits	7,988	8,988	4,765
Purchased services	102,958	95,958	84,507
Supplies and materials	20,356	22,356	16,060
Payments to other governments	75,292	77,292	50,986
Total Expenditures	<u>225,000</u>	<u>225,000</u>	<u>167,212</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2012 to September 30, 2013)
EDUCATION FUND ACCOUNTS
RURAL EDUCATION ACHIEVEMENT PROGRAM
For the Year Ended June 30, 2013
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 21,344	\$ 21,344	\$ 1,487
Total Revenues	<u>21,344</u>	<u>21,344</u>	<u>1,487</u>
Expenditures			
Payments to other governments	21,344	21,344	1,487
Total Expenditures	<u>21,344</u>	<u>21,344</u>	<u>1,487</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2011 to August 31, 2012)
EDUCATION FUND ACCOUNTS
MCKINNEY VENTO EDUCATION FOR HOMELESS CHILDREN (2012)
For the Year Ended June 30, 2013
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 12,159	\$ 15,825	\$ 2,997
Total Revenues	<u>12,159</u>	<u>15,825</u>	<u>2,997</u>
Expenditures			
Salaries	9,250	11,985	1,275
Employee benefits	134	175	19
Purchased services	2,650	2,008	144
Supplies and materials	125	1,657	1,559
Total Expenditures	<u>12,159</u>	<u>15,825</u>	<u>2,997</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2012 to August 31, 2013)
EDUCATION FUND ACCOUNTS
MCKINNEY VENTO EDUCATION FOR HOMELESS CHILDREN (2013)
For the Year Ended June 30, 2013
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 12,159	\$ 22,159	\$ 16,229
Total Revenues	<u>12,159</u>	<u>22,159</u>	<u>16,229</u>
Expenditures			
Salaries	9,945	13,005	12,495
Employee benefits	145	189	181
Purchased services	2,012	4,413	1,712
Supplies and materials	57	4,552	1,841
Total Expenditures	<u>12,159</u>	<u>22,159</u>	<u>16,229</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2011 to September 30, 2012)
EDUCATION FUND ACCOUNTS
AREA-WIDE I-RTI NETWORK INSTRUCTIONAL LEADER (2012)
For the Year Ended June 30, 2013
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 142,995	\$ 142,995	\$ 39,504
Total Revenues	<u>142,995</u>	<u>142,995</u>	<u>39,504</u>
Expenditures			
Salaries	91,668	91,668	25,020
Employee benefits	38,890	38,890	10,804
Purchased services	11,837	11,837	2,005
Supplies and materials	600	600	1,675
Total Expenditures	<u>142,995</u>	<u>142,995</u>	<u>39,504</u>
Net Change in Fund Balances	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2012 to September 30, 2013)
EDUCATION FUND ACCOUNTS
AREA-WIDE I-RTI NETWORK INSTRUCTIONAL LEADER (2013)
For the Year Ended June 30, 2013
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 162,631	\$ 178,732	\$ 123,394
Total Revenues	<u>162,631</u>	<u>178,732</u>	<u>123,394</u>
Expenditures			
Salaries	90,334	112,394	84,494
Employee benefits	42,423	43,436	28,290
Purchased services	29,274	22,302	10,249
Supplies and materials	600	600	361
Total Expenditures	<u>162,631</u>	<u>178,732</u>	<u>123,394</u>
Net Change in Fund Balances	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2012 to June 30, 2013)
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS
For the Year Ended June 30, 2013
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 25,506	\$ 25,506	\$ 25,506
Total Revenues	<u>25,506</u>	<u>25,506</u>	<u>25,506</u>
Expenditures			
Salaries	13,400	7,000	7,617
Employee benefits	4,893	3,571	3,148
Purchased services	5,980	13,702	14,006
Supplies and materials	733	733	735
Capital outlay	500	500	-
Total Expenditures	<u>25,506</u>	<u>25,506</u>	<u>25,506</u>
Net Change in Fund Balances	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of June 10, 2013 to September 30, 2013)
EDUCATION FUND ACCOUNTS
TITLE II TEACHER QUALITY - LEADERSHIP
For the Year Ended June 30, 2013
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 3,990	\$ 3,990	\$ 3,990
Total Revenues	<u>3,990</u>	<u>3,990</u>	<u>3,990</u>
Expenditures			
Salaries	137	137	137
Employee benefits	51	51	52
Purchased services	3,802	3,802	3,801
Total Expenditures	<u>3,990</u>	<u>3,990</u>	<u>3,990</u>
Excess (Deficiency) of Revenues Over Expenditures	<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>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2012 to June 30, 2013)
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE OPTIONAL EDUCATION
For the Year Ended June 30, 2013
Waterloo Office**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 50,740	\$ 50,740	\$ 50,740
Total Revenues	<u>50,740</u>	<u>50,740</u>	<u>50,740</u>
Expenditures			
Salaries	39,735	39,735	40,093
Employee benefits	3,993	3,993	4,275
Purchased services	6,362	6,362	6,314
Supplies and materials	650	650	58
Total Expenditures	<u>50,740</u>	<u>50,740</u>	<u>50,740</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2013**

	<u>Teacher's Institute Fund</u>	<u>Bus Driver Permit Fund</u>	<u>General Education Development Fund</u>	
	<u>Waterloo</u>	<u>Waterloo</u>	<u>Waterloo</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 34,639	\$ 2,410	\$ 21,305	\$ 58,354
Due from other governments	1,000	-	130	1,130
Prepaid Expenses	-	-	-	-
Total Assets	<u>\$ 35,639</u>	<u>\$ 2,410</u>	<u>\$ 21,435</u>	<u>\$ 59,484</u>
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance				
Nonspendable	-	-	-	-
Restricted	35,639	2,410	21,435	59,484
Total Fund Balances	<u>35,639</u>	<u>2,410</u>	<u>21,435</u>	<u>59,484</u>
Total Liabilities and Fund Balances	<u>\$ 35,639</u>	<u>\$ 2,410</u>	<u>\$ 21,435</u>	<u>\$ 59,484</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013**

	Teacher's Institute Fund	Bus Driver Permit Fund	General Education Development Fund	
	Waterloo	Waterloo	Waterloo	Total
Revenues				
Local sources	\$ 13,062	\$ 1,760	\$ 5,284	\$ 20,106
State sources	-	763	530	1,293
Total Revenues	<u>13,062</u>	<u>2,523</u>	<u>5,814</u>	<u>21,399</u>
Expenditures				
Salaries	8,718	-	994	9,712
Employee benefits	1,937	-	577	2,514
Purchased services	11,638	1,164	646	13,448
Supplies and materials	2,979	59	2,126	5,164
Other	-	-	657	657
Total Expenditures	<u>25,272</u>	<u>1,223</u>	<u>5,000</u>	<u>31,495</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(12,210)</u>	<u>1,300</u>	<u>814</u>	<u>(10,096)</u>
Other Financing Sources (Uses)				
Interest	113	6	57	176
Total Other Financing Sources (Uses)	<u>113</u>	<u>6</u>	<u>57</u>	<u>176</u>
Net Change in Fund Balance	(12,097)	1,306	871	(9,920)
Fund Balance - Beginning	<u>47,736</u>	<u>1,104</u>	<u>20,564</u>	<u>69,404</u>
Fund Balance - Ending	<u>\$ 35,639</u>	<u>\$ 2,410</u>	<u>\$ 21,435</u>	<u>\$ 59,484</u>

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2013**

	Distributive Fund	Human Services Educational/ Vocational Project Funds	Area V Trail	State Trail	Total Agency Funds
Assets					
Cash and cash equivalents	\$ -	\$ 1,284,036	\$ 24,935	\$ 31,999	\$ 1,340,970
Due from other governments	<u>51,484</u>	<u>34,741</u>	<u>480</u>	<u>7,165</u>	<u>93,870</u>
Total Assets	<u><u>\$ 51,484</u></u>	<u><u>\$ 1,318,777</u></u>	<u><u>\$ 25,415</u></u>	<u><u>\$ 39,164</u></u>	<u><u>\$ 1,434,840</u></u>
Liabilities					
Due to other governments	<u>\$ 51,484</u>	<u>\$ 1,318,777</u>	<u>\$ 25,415</u>	<u>\$ 39,164</u>	<u>\$ 1,434,840</u>
Total Liabilities	<u><u>\$ 51,484</u></u>	<u><u>\$ 1,318,777</u></u>	<u><u>\$ 25,415</u></u>	<u><u>\$ 39,164</u></u>	<u><u>\$ 1,434,840</u></u>

**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, 2013**

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
<u>Distributive Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 2,714,334	\$ 2,714,334	\$ -
Due from other governments	346,594	51,484	346,594	51,484
	<u>\$ 346,594</u>	<u>\$ 2,765,818</u>	<u>\$ 3,060,928</u>	<u>\$ 51,484</u>
Total Assets				
Liabilities				
Due to other governments	\$ 346,594	\$ 2,765,818	\$ 3,060,928	\$ 51,484
	<u>\$ 346,594</u>	<u>\$ 2,765,818</u>	<u>\$ 3,060,928</u>	<u>\$ 51,484</u>
Total Liabilities				
<u>Human Services Educational/Vocational Project</u>				
Assets				
Cash and cash equivalents	\$ 1,353,039	\$ 1,284,036	\$ 1,353,039	\$ 1,284,036
Due from other governments	99,891	34,741	99,891	34,741
	<u>\$ 1,452,930</u>	<u>\$ 1,318,777</u>	<u>\$ 1,452,930</u>	<u>\$ 1,318,777</u>
Total Assets				
Liabilities				
Due to other governments	\$ 1,452,930	\$ 1,318,777	\$ 1,452,930	\$ 1,318,777
	<u>\$ 1,452,930</u>	<u>\$ 1,318,777</u>	<u>\$ 1,452,930</u>	<u>\$ 1,318,777</u>
Total Liabilities				
<u>Area V Trail</u>				
Assets				
Cash and cash equivalents	\$ 9,137	\$ 24,457	\$ 8,659	\$ 24,935
Due from other governments	-	480	-	480
	<u>\$ 9,137</u>	<u>\$ 24,937</u>	<u>\$ 8,659</u>	<u>\$ 25,415</u>
Total Assets				
Liabilities				
Due to other governments	\$ 9,137	\$ 24,937	\$ 8,659	\$ 25,415
	<u>\$ 9,137</u>	<u>\$ 24,937</u>	<u>\$ 8,659</u>	<u>\$ 25,415</u>
Total Liabilities				
<u>State Trail</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 93,353	\$ 61,354	\$ 31,999
Due from other governments	-	7,165	-	7,165
	<u>\$ -</u>	<u>\$ 100,518</u>	<u>\$ 61,354</u>	<u>\$ 39,164</u>
Total Assets				
Liabilities				
Due to other governments	\$ -	\$ 100,518	\$ 61,354	\$ 39,164
	<u>\$ -</u>	<u>\$ 100,518</u>	<u>\$ 61,354</u>	<u>\$ 39,164</u>
Total Liabilities				
<u>TOTAL</u>				
Assets				
Cash and cash equivalents	\$ 1,362,176	\$ 4,116,180	\$ 4,137,386	\$ 1,340,970
Due from other governments	446,485	93,870	446,485	93,870
	<u>\$ 1,808,661</u>	<u>\$ 4,210,050</u>	<u>\$ 4,583,871</u>	<u>\$ 1,434,840</u>
Total Assets				
Liabilities				
Due to other governments	\$ 1,808,661	\$ 4,210,050	\$ 4,583,871	\$ 1,434,840
	<u>\$ 1,808,661</u>	<u>\$ 4,210,050</u>	<u>\$ 4,583,871</u>	<u>\$ 1,434,840</u>
Total Liabilities				

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2013**

Distributions	Acct. No.	Total	ROE #45	Beck Area Vocational Center	Mental Health	Chester NHSD 122	OKAW Regional Voc System-EFE
Local Funds							
Distributive Fund Interest	1510	\$ 34	\$ 34	\$ -	\$ -	\$ -	\$ -
Total Local Funds		34	34	-	-	-	-
State Funds							
General State Aid - Sec. 18-8	3001	881,845	124,731	589,336	-	167,778	-
Special Ed. - Extraordinary	3105	8,479	-	-	-	8,479	-
Voc. Ed. - Secondary Program Improvement	3220	654,694	-	-	151,384	-	503,310
State Free Lunch & Breakfast	3360	1,204	278	926	-	-	-
Transportation - Regular	3500	141,339	-	118,247	-	23,092	-
Transportation - Special Education	3510	7,025	-	-	-	7,025	-
ROE School Bus Driver Training	3520	763	763	-	-	-	-
Truants Alternative/Operational Education	3695	59,086	59,086	-	-	-	-
Regional Safe Schools Program	3696	56,025	56,025	-	-	-	-
ROE/ISC Operations	3730	23,506	23,506	-	-	-	-
Total State Funds		1,833,966	264,389	708,509	151,384	206,374	503,310
Federal Funds							
National School Lunch Program	4210	25,167	4,510	20,657	-	-	-
School Breakfast Program	4220	14,777	3,005	11,772	-	-	-
Fed. - Sp. Ed. - Pre-School Flow Through	4600	34,242	-	-	34,242	-	-
Fed. - Sp. Ed. - IDEA - Flow Through	4620	49,871	-	-	49,871	-	-
Fed. - Sp.Ed. - IDEA - Room & Board	4625	711	-	-	-	711	-
V.E. PERKINS	4740	209,272	-	-	209,272	-	-
V. E. - Perkins - Title IIC - Secondary	4745	90,063	-	-	-	-	90,063
ARRA - Jobs Fund Program	4880	938	-	938	-	-	-
Title II - Teacher Quality	4932	1,510	-	1,510	-	-	-
Mathematics & Science Partnerships	4936	453,783	453,783	-	-	-	-
Total Federal Funds		880,334	461,298	34,877	293,385	711	90,063
Total Distributions		\$ 2,714,334	\$ 725,721	\$ 743,386	\$ 444,769	\$ 207,085	\$ 593,373

FEDERAL COMPLIANCE SECTION

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	ISBE Project # (1st 8 digits) or Contract #	Federal Expenditures
U. S. Department of Education - Direct Program			
Rural Education			
Rural Education Achievement Program	84.358A	S358A126739	\$ 1,487
U. S. Department of Education passed through Illinois Community College Board			
Adult Education - Basic Grants to States			
Adult Education - Federal Basic	84.002A	N/A	31,448
U. S. Department of Education passed through Illinois State Board of Education			
Mathematics & Science Partnerships			
Mathematics & Science Partnership (M)	84.366B	12-4936-10	13,441
Mathematics & Science Partnership (M)	84.366B	12-4936-20	119,983
Mathematics & Science Partnership (M)	84.366B	12-4936-21	167,212
Mathematics & Science Partnership (M)	84.366B	13-4936-20	75,485
Mathematics & Science Partnership (M)	84.366B	13-4936-21	56,269
			<u>432,390</u>
Improving Teacher Quality State Grants			
Title II - Teacher Quality - Leadership	84.367A	13-4935-02	3,990
Total U. S. Department of Education passed through Illinois State Board of Education			<u>436,380</u>
U. S. Department of Education passed through Regional Office of Education #3			
Education for Homeless Children and Youth			
McKinney Education for Homeless Children	84.196A	12-4920-00	2,997
McKinney Education for Homeless Children	84.196A	13-4920-00	16,229
			<u>19,226</u>
U. S. Department of Education passed through Regional Office of Education #47			
Special Education - State Personnel Development			
IDEA - Improvement Grants - Part D (RtI)	84.323A	12-4631-RN	39,504
IDEA - Improvement Grants - Part D (RtI)	84.323A	13-4631-RN	123,394
			<u>162,898</u>
TOTAL US DEPARTMENT OF EDUCATION			<u>651,439</u>
U. S. Department of Agriculture passed through Illinois State Board of Education			
School Breakfast Program			
School Breakfast Program	10.553	12-4220-00	389
School Breakfast Program	10.553	13-4220-00	2,616
			<u>3,005</u>
National School Lunch Program			
National School Lunch Program	10.555	12-4210-00	584
National School Lunch Program	10.555	13-4210-00	3,926
			<u>4,510</u>
Total U. S. Department of Agriculture passed through Illinois State Board of Education			<u>7,515</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 658,954</u>

(M) Program was audited as a major program

**REGIONAL OFFICE OF EDUCATION #45
MONROE AND RANDOLPH COUNTIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013**

NOTE 1: REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

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

NOTE 2: SUBRECIPIENTS

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

Program Title: Mathematics and Science Partnership
Federal CFDA #: 84.366B
Amount provided to subrecipients: \$174,074

Program Title: Rural Education Achievement Program
Federal CFDA #: 84.358A
Amount provided to subrecipients: \$1,487

NOTE 3: DESCRIPTION OF MAJOR FEDERAL PROGRAM

Mathematics and Science Partnership

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

NOTE 4: NON-CASH ASSISTANCE

None

NOTE 5: AMOUNT OF INSURANCE

None

NOTE 6: LOANS OR LOAN GUARANTEES OUTSTANDING

None