

**STATE OF ILLINOIS  
MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**FINANCIAL AUDIT  
For the year ended June 30, 2015**

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



**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

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**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**OFFICIALS**

Regional Superintendent (Current and during the audit period) ..... Mr. Kelton J.V. Davis  
Assistant Regional Superintendent (During the audit period).....Ms. Mary Ann Quivey  
Assistant Regional Superintendent (Current).....Mr. Chris Diddlebock

Offices are located at:

107 East Mill Street  
Waterloo, Illinois 62298

Randolph County Courthouse  
#1 Taylor Street  
Chester, Illinois 62233

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**FINANCIAL REPORT SUMMARY**

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

**AUDITORS' REPORTS**

The auditors' reports do not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF AUDIT FINDINGS**

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

**SUMMARY OF FINDINGS AND RESPONSES**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2015-001	10	Controls over Financial Statement Preparation	Material Weakness

PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

There were no findings for the year ended June 30, 2014.

**EXIT CONFERENCE**

The Monroe and Randolph Counties Regional Office of Education No. 45 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2015. Throughout the audit, numerous meetings were held between the auditors and Regional Office officials to discuss matters contained in this audit report.

Responses to the recommendations were provided by Kelton Davis, Regional Superintendent via email on June 9, 2016.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Monroe and Randolph Counties Regional Office of Education No. 45 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Monroe and Randolph Counties Regional Office of Education No. 45's basic financial statements.

# WEST & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS  
&  
CONSULTANTS

613 BROADWAY AVENUE  
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BRIAN E. DANIELL  
JANICE K. ROMACK  
DIANA R. SMITH  
D. RAIF PERRY  
JOHN H. VOGT  
JOSHUA D. LOWE

## OFFICES

EDWARDSVILLE  
EFFINGHAM  
GREENVILLE  
MATTOON  
SULLIVAN

## INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino  
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 No. 45, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Monroe and Randolph Counties Regional Office of Education No. 45's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

The Monroe and Randolph Counties Regional Office of Education No. 45's 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 No. 45, as of June 30, 2015, 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.

### ***Emphasis of Matter***

As discussed in Note 1, paragraph E in the notes to the financial statements, the Regional Office of Education No. 45 adopted GASB Statements No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 14A - 14H, and the Illinois Municipal Retirement Fund - Schedule of Changes in the Net Pension Liability and Related Ratios, Illinois Municipal Retirement Fund - Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois - Schedule of Employer's Proportionate Share of the Net Pension Liability, and Teachers' Retirement System of the State of Illinois - Schedule of Employer Contributions on pages 58 - 62 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 No. 45's basic financial statements. The combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, and Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, and Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, and Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund 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 July 20, 2016, on our consideration of the Monroe and Randolph Counties Regional Office of Education No. 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 No. 45's internal control over financial reporting and compliance.

*West & Company, LLC*

Mattoon, Illinois  
July 20, 2016

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

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino  
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 No. 45, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Monroe and Randolph Counties Regional Office of Education No. 45's basic financial statements, and have issued our report thereon dated July 20, 2016.

**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 No. 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 No. 45's internal control. Accordingly, we do not express an opinion on the effectiveness of the Monroe and Randolph Counties Regional Office of Education No. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as finding 2015-001 that we consider to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Monroe and Randolph Counties Regional Office of Education No. 45's financial statements are free from 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*.

### **Monroe and Randolph Counties Regional Office of Education No. 45's Response to the Finding**

The Monroe and Randolph Counties Regional Office of Education No. 45's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Monroe and Randolph Counties Regional Office of Education No. 45's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 No. 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 No. 45's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*West & Company, LLC*

Mattoon, Illinois  
July 20, 2016

## **SCHEDULE OF FINDINGS AND RESPONSES**

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**SCHEDULE OF FINDINGS AND RESPONSES  
SECTION I – SUMMARY OF AUDITORS' RESULTS  
For the year ended June 30, 2015**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued	<u>UNMODIFIED</u>	
Internal control over financial reporting:		
- Material weakness(es) identified?	<u>  X  </u> yes	<u>      </u> no
- Significant deficiency(ies) identified?	<u>      </u> yes	<u>  X  </u> none reported
Noncompliance material to financial statements noted?	<u>      </u> yes	<u>  X  </u> no

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**SCHEDULE OF FINDINGS AND RESPONSES  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the year ended June 30, 2015**

**Section II - Financial Statement Findings**

**FINDING NO. 2015-001 - Controls over Financial Statement Preparation**

**Criteria/Specific Requirement:**

The Regional Office of Education No. 45 (ROE) is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The ROE's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP basis financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statements No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, require governments to record and present net pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses. These standards further prescribe the methods and assumptions that are to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of service.

**Condition:**

The ROE did not have sufficient internal controls over the financial reporting process in order to record and present the pension information in accordance with these standards. The ROE maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual and other applicable entries for financial statement purposes. While the ROE maintains controls over the processing of most accounting transactions and prepares its financial statements, there were not sufficient controls over the preparation of GAAP basis financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Through inquiries and discussions with the ROE's accounting personnel and Regional Superintendent, auditors noted the ROE did not have adequate controls to record and report the ROE's net pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses in accordance with GAAP.

**Effect:**

The ROE's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**SCHEDULE OF FINDINGS AND RESPONSES  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the year ended June 30, 2015**

**Section II - Financial Statement Findings**

**FINDING NO. 2015-001 - Controls over Financial Statement Preparation** (Continued)

**Cause:**

According to the ROE's management, the complex requirements of GASB Statements No. 68 and No. 71 were new for fiscal year 2015 and will require additional time and training before the ROE can fully implement the requirements on its own.

**Auditors' Recommendation:**

As part of internal control over the preparation of financial statements, the ROE should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the ROE's activities and operations.

**Management's Response:**

The ROE was unable to prepare the reports needed for the audit primarily due to the timing of the receipt of needed documents from both TRS and IMRF. The timing of the receipt of the necessary actuarial calculations to implement the new GASB Statements No. 68 and No. 71 did not provide adequate time for our office to address the needs of the new requirements.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
For the year ended June 30, 2015**

**Corrective Action Plan**

**FINDING NO. 2015-001 - Controls over Financial Statement Preparation**

**Condition:**

The ROE did not have sufficient internal controls over the financial reporting process in order to record and present the pension information in accordance with these standards. The ROE maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual and other applicable entries for financial statement purposes. While the ROE maintains controls over the processing of most accounting transactions and prepares its financial statements, there were not sufficient controls over the preparation of GAAP basis financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Through inquiries and discussions with the ROE's accounting personnel and Regional Superintendent, auditors noted the ROE did not have adequate controls to record and report the ROE's net pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses in accordance with GAAP.

**Plan:**

The ROE will seek out additional information and training on the new GASB Statements as well as work to receive the needed information from TRS and IMRF in a timely manner in the future. If the information needed is received in a timely manner, we anticipate that we can resolve this finding by completing the necessary reporting internally or with external assistance.

**Anticipated Date of Completion:**

The ROE anticipates receiving the required documentation, training and support by August of 2016.

**Name of Contact Person:**

Mr. Kelton Davis, Regional Superintendent

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the year ended June 30, 2015**

<b>Finding Number</b>	<b>Condition</b>	<b>Current Status</b>
There were no findings for the year ended June 30, 2014.		

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2015**

As management of Monroe and Randolph Counties Regional Office of Education No. 45 (ROE No. 45), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the ROE No. 45 for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with ROE No. 45's financial statements, which follow this section.

**2015 Financial Highlights**

- The assets and deferred outflows of resources of Regional Office of Education No. 45 exceeded its liabilities and deferred inflows of resources by \$130,031 (net position). Of this amount, \$56,363 is restricted. Capital assets account for \$39,233 with no related debt.
- The Regional Office of Education No. 45's total net position decreased by \$731,223. This change was mostly attributable to the prior period adjustment of \$742,421. This adjustment primarily relates to the requirements of the newly implemented GASB Statements No. 68 and No. 71 to report pension-related balances.
- The capital assets (net) of Regional Office of Education No. 45 increased by \$2,547 due to total depreciation expense of \$12,509, offset by capital asset additions of \$11,056. See Note 7 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 No. 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 No. 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.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2015**

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

- Other information includes combining financial statements and budgetary information for certain general fund accounts, education fund accounts, and other non-major accounts.

**Government-Wide Financial Statements** - The *government-wide financial statements* are designed to provide readers with a broad overview of ROE No. 45's finances, in a manner similar to private-sector businesses.

The *Statement of Net Position* presents information on all of ROE No. 45's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of ROE No. 45 is improving or deteriorating.

The *Statement of Activities* presents information showing how ROE No. 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 No. 45's activities are divided into two categories:

- *Governmental activities*: Most of ROE No. 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 No. 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 15-16 of this report.

**Fund Financial Statements** - The *fund financial statements* provide detailed information about ROE No. 45's funds, focusing on its most significant or "major" funds, not ROE No. 45 as a whole. Funds are accounting devices ROE No. 45 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law. ROE No. 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 No. 45 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2015**

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

**Governmental funds** - *Governmental funds* account for most of ROE No. 45's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. Because the governmental fund information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the statements. By so doing, the readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

ROE No. 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 17 and 19 of this report.

**Proprietary funds** - ROE No. 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 No. 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 21-23 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 No. 45's own programs.

The basic fiduciary fund statement can be found on page 24 of this report.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2015**

**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 25-57 of this report.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning ROE No. 45. Overall budgeting is not a legal requirement for ROE No. 45. Accordingly, formal budgets are not adopted; and therefore, budgetary comparison schedules are not included in the required supplementary information (RSI). However, ROE No. 45 is the recipient of monies from the Illinois State Board of Education (ISBE) 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. In addition, budgetary comparison schedules have been provided for the grants received from the Illinois Community College Board (ICCB). Budgetary comparison schedules have been included on pages 71-77 and 84-92 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and combining schedules 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 63-70, 78-83, and 93-94 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 No. 45, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$130,031 at the close of fiscal year 2015.

ROE No. 45's net position is split between governmental activities and business-type activities. The governmental activities' net position was a negative \$99,212, offset by the business-type activities' net position of \$229,243. Of the government-wide net position, approximately 30% is invested in capital assets, 43% restricted as to use, and the remaining 27% unrestricted as to use.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2015**

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

	<b>ROE NO. 45's Net Position</b>					
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current assets	\$ 684,875	\$ 612,112	\$223,229	\$222,642	\$ 908,104	\$ 834,754
Capital assets, net	31,121	33,707	8,112	2,979	39,233	36,686
Total assets	<u>715,996</u>	<u>645,819</u>	<u>231,341</u>	<u>225,621</u>	<u>947,337</u>	<u>871,440</u>
Deferred outflows of resources	134,833	-	-	-	134,833	-
Current liabilities	38,367	7,726	2,098	2,460	40,465	10,186
Net pension liability	814,640	-	-	-	814,640	-
Total liabilities	<u>853,007</u>	<u>7,726</u>	<u>2,098</u>	<u>2,460</u>	<u>855,105</u>	<u>10,186</u>
Deferred inflows of resources	97,034	-	-	-	97,034	-
Net position:						
Net investment in capital assets	31,121	33,707	8,112	2,979	39,233	36,686
Restricted	56,363	56,412	-	-	56,363	56,412
Unrestricted	(186,696)	547,974	221,131	220,182	34,435	768,156
Total net position	<u>\$ (99,212)</u>	<u>\$ 638,093</u>	<u>\$229,243</u>	<u>\$223,161</u>	<u>\$ 130,031</u>	<u>\$ 861,254</u>

At June 30, 2015, current assets, comprised predominately of cash and receivables, increased \$73,350 due mainly to an increase in grant funding. There was a minimal increase of \$2,547 for capital assets. The net position of the business-type activities increased by \$6,082. A portion of the increase in the net position of the business type activities is attributed to a decrease in salary expense.

As indicated above, ROE No. 45 reported negative net position for the governmental activities and a positive net position for the business-type activities. The assets and deferred outflows of resources of ROE No. 45 exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$130,031 (total net position). The negative position for the governmental activities can be attributed to the reporting requirement for the pension related balances, such as the net pension liability and deferred inflows and outflows of resources, which were not required in the previous fiscal year. The investment in net capital assets was \$39,233 at June 30, 2015. ROE No. 45 uses these capital assets in providing services to its citizens; consequently, these assets are not available for future spending.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2015**

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

Net position of ROE No. 45 decreased by \$731,223 from the FY14 balance; however, without the prior period adjustment of \$742,421, the net position actually increased by \$11,198. Governmental activities contributed an increase of \$5,116. Business-type activities increased by \$6,082. Key elements of the change are as follows:

	<b>ROE NO. 45's Changes in Net Position</b>					
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ 19,862	\$ 48,197	\$ 52,211	\$ 48,197	\$ 72,073
Operating grants & contributions	810,526	546,111	-	-	810,526	546,111
General revenues:						
Local sources	477,847	320,199	-	-	477,847	320,199
State sources	-	98,844	-	-	-	98,844
On-behalf payments	368,047	376,390	-	-	368,047	376,390
Interest	659	676	450	478	1,109	1,154
Total revenues	<u>1,657,079</u>	<u>1,362,082</u>	<u>48,647</u>	<u>52,689</u>	<u>1,705,726</u>	<u>1,414,771</u>
Expenses:						
Salaries and benefits	771,418	710,676	14,955	40,900	786,373	751,576
Purchased services	224,361	172,847	18,568	8,477	242,929	181,324
Supplies and materials	74,584	45,612	6,210	5,969	80,794	51,581
Payments to Govts	60,631	62,425	1,997	-	62,628	62,425
Other	6,035	11,477	-	-	6,035	11,477
Depreciation	11,674	11,510	835	288	12,509	11,798
Pension expense	135,213	-	-	-	135,213	-
On-behalf payments	368,047	376,390	-	-	368,047	376,390
Total expenses	<u>1,651,963</u>	<u>1,390,937</u>	<u>42,565</u>	<u>55,634</u>	<u>1,694,528</u>	<u>1,446,571</u>
Increase (decrease) in net position	5,116	(28,855)	6,082	(2,945)	11,198	(31,800)
Net position-beginning-restated	<u>(104,328)</u>	<u>666,948</u>	<u>223,161</u>	<u>226,106</u>	<u>118,833</u>	<u>893,054</u>
Net position-ending	<u>\$ (99,212)</u>	<u>\$ 638,093</u>	<u>\$ 229,243</u>	<u>\$ 223,161</u>	<u>\$ 130,031</u>	<u>\$ 861,254</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2015**

**Governmental Activities**

Revenues for governmental activities were \$1,657,079 and expenses were \$1,651,963. Revenues increased \$294,997 due mostly to acquiring additional grant funding of Truant's Alternative Optional Education Program and the Illinois Mathematics and Science Partnerships I-Stem Network Area Partnership Program. Teacher's Institute, Bus Driver Permit, and General Education Development revenue previously reported as charges for services has been reclassified to local revenues, and General State Aid revenue previously reported as state revenue has been reclassified as operating grants and contributions in the current year.

With the increase in revenues, we could expect to see an increase in expenses as well. Overall governmental expenses increased approximately \$269,369 (exclusive of on-behalf payments) consisting primarily of an increase of approximately \$60,742 in salaries and benefits, \$51,514 in purchased services and \$28,972 in supplies and materials. Payments to other governments decreased by \$1,794 and other expenses decreased by \$5,442. The depreciation increased by a minimal amount of \$164. Pension expense, required to be reported by the newly implemented GASB Statement No. 68, was \$135,213. Employer pension contributions, included as part of the pension expense amount for FY15, were reported as employee benefits for FY14.

**Business-Type Activities**

The charges for services decreased by \$4,014 when compared to 2014. The decrease in revenue was primarily due to less activities of professional development not associated with grant funding. Overall expenses decreased by \$13,069 when compared to 2014. Salaries and benefits decreased by \$25,945, purchased services increased by \$10,091, and supplies and materials increased by \$241. The decrease of salaries and benefits was a direct result of less activities. Supporting services for professional development increased. There was a minimal increase in supplies and materials.

**Financial Analysis of ROE No. 45's Funds**

**Governmental funds** - As previously noted, ROE No. 45 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. ROE No. 45's governmental funds reported combined fund balances of \$646,508 representing an increase of \$42,122 from last year's ending fund balance of \$604,386. The increase is primarily attributable to an increase in Pearson Vue and Workkeys (TABE) testing and adding an additional service of name-based background checks to fingerprinting revenue.

The general fund is the chief operating fund of ROE No. 45. At the end of the current fiscal year, the nonspendable and unassigned fund balances of the general fund increased by \$42,171.

**Proprietary funds** - ROE No. 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 No. 45's business-type activities.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2015**

**Budgetary Highlights**

Presenting an overall budget is not a legal requirement of ROE No. 45. Formal budgets are not adopted for all funds; therefore budgetary comparison schedules are not included in the required supplementary information.

ROE No. 45 acts as the administrative agent for certain grant programs that are accounted for within the special revenue funds. These programs have separate budgets and are required to be reported to the Illinois State Board of Education. In addition, budgetary comparison schedules have been provided for the grants received from the Illinois Community College Board (ICCB). Comparison of budgeted and actual results for various programs are presented as supplementary information.

**Capital Assets**

<b>ROE 45's Capital Assets Net of Accumulated Depreciation</b>						
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Equipment	<u>\$ 31,121</u>	<u>\$ 37,707</u>	<u>\$ 8,112</u>	<u>\$ 2,979</u>	<u>\$ 39,233</u>	<u>\$ 40,686</u>

At June 30, 2015 and June 30, 2014, ROE No. 45 had invested \$159,216 and \$169,541 respectively, in a broad range of capital assets, including office equipment, computers and audio-visual equipment.

ROE No. 45 had depreciation expense of \$12,509 and \$11,798 in FY15 and FY14, respectively, with accumulated depreciation of \$119,983 and \$128,855 at June 30, 2015 and 2014, respectively. More detailed information about capital assets is available in Note 7 to the financial statements.

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

At the time these financial statements were prepared and audited, ROE No. 45 was uncertain about funding for the next year. We are diligently pursuing opportunities to acquire new funding through governmental and business-type activities. We anticipate an increased delay in timeliness of grant payments and questionable appropriations with no approved state funding. Among the grants added this past fiscal year were a multiyear Truants Alternative Optional Education Program grant and two multiyear Illinois Math and Science Partnerships grants.

**Contacting ROE No. 45's Financial Management**

This financial report is designed to provide ROE No. 45's citizens, taxpayers and clients, with a general overview of ROE No. 45's finances and to demonstrate ROE No. 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 No. 45, 107 East Mill Street, Waterloo, Illinois 62298.

## **BASIC FINANCIAL STATEMENTS**

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**STATEMENT OF NET POSITION  
June 30, 2015**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 530,399	\$ 222,714	\$ 753,113
Due from other governments	146,530	515	147,045
Prepaid items	7,946	-	7,946
Total current assets	<u>684,875</u>	<u>223,229</u>	<u>908,104</u>
Noncurrent assets:			
Capital assets, net	31,121	8,112	39,233
Total noncurrent assets	<u>31,121</u>	<u>8,112</u>	<u>39,233</u>
Total assets	<u>715,996</u>	<u>231,341</u>	<u>947,337</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	134,833	-	134,833
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	36,356	2,038	38,394
Accrued wages and benefits	285	-	285
Due to other governments	-	60	60
Unearned revenue	1,726	-	1,726
Total current liabilities	<u>38,367</u>	<u>2,098</u>	<u>40,465</u>
Noncurrent liabilities:			
Net pension liability	814,640	-	814,640
Total noncurrent liabilities	<u>814,640</u>	<u>-</u>	<u>814,640</u>
Total liabilities	<u>853,007</u>	<u>2,098</u>	<u>855,105</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	97,034	-	97,034
<b>NET POSITION</b>			
Net investment in capital assets	31,121	8,112	39,233
Restricted - other	56,363	-	56,363
Unrestricted	(186,696)	221,131	34,435
Total net position	<u>\$ (99,212)</u>	<u>\$ 229,243</u>	<u>\$ 130,031</u>

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**STATEMENT OF ACTIVITIES  
For the year ended June 30, 2015**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>						
Governmental activities:						
Instructional services:						
Salaries	\$ 676,506	\$ -	\$ 449,448	\$ (227,058)	\$ -	\$ (227,058)
Benefits	94,912	-	120,111	25,199	-	25,199
Purchased services	224,361	-	121,504	(102,857)	-	(102,857)
Supplies and materials	74,584	-	56,380	(18,204)	-	(18,204)
Capital outlay	-	-	800	800	-	800
Other	6,035	-	1,652	(4,383)	-	(4,383)
Payments to other governments	60,631	-	60,631	-	-	-
Depreciation	11,674	-	-	(11,674)	-	(11,674)
Pension expense	135,213	-	-	(135,213)	-	(135,213)
Administrative:						
On-behalf payments - State	368,047	-	-	(368,047)	-	(368,047)
Total governmental activities	<u>1,651,963</u>	<u>-</u>	<u>810,526</u>	<u>(841,437)</u>	<u>-</u>	<u>(841,437)</u>
Business-type activities:						
Registration services	42,565	48,197	-	-	5,632	5,632
Total primary government	<u>\$ 1,694,528</u>	<u>\$ 48,197</u>	<u>\$ 810,526</u>	<u>(841,437)</u>	<u>5,632</u>	<u>(835,805)</u>
General revenues:						
Local sources				477,847	-	477,847
On-behalf payments - State				368,047	-	368,047
Interest				659	450	1,109
Total general revenues				<u>846,553</u>	<u>450</u>	<u>847,003</u>
Change in net position				5,116	6,082	11,198
Net position - beginning of year, restated (see note 16)				<u>(104,328)</u>	<u>223,161</u>	<u>118,833</u>
Net position - end of year				<u>\$ (99,212)</u>	<u>\$ 229,243</u>	<u>\$ 130,031</u>

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2015**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 440,191	\$ 34,178	\$ 56,030	\$ 530,399
Due from other funds	117,638	-	-	117,638
Due from other governments	26,773	119,424	333	146,530
Prepaid items	7,946	-	-	7,946
	<u>7,946</u>	<u>-</u>	<u>-</u>	<u>7,946</u>
Total assets	<u>\$ 592,548</u>	<u>\$ 153,602</u>	<u>\$ 56,363</u>	<u>\$ 802,513</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 392	\$ 35,964	\$ -	\$ 36,356
Accrued wages and benefits	285	-	-	285
Due to other funds	-	117,638	-	117,638
Unearned revenue	1,726	-	-	1,726
	<u>1,726</u>	<u>-</u>	<u>-</u>	<u>1,726</u>
Total liabilities	<u>2,403</u>	<u>153,602</u>	<u>-</u>	<u>156,005</u>
<b>FUND BALANCES</b>				
Nonspendable	7,946	-	-	7,946
Restricted	-	-	56,363	56,363
Unassigned	582,199	-	-	582,199
	<u>582,199</u>	<u>-</u>	<u>-</u>	<u>582,199</u>
Total fund balances	<u>590,145</u>	<u>-</u>	<u>56,363</u>	<u>646,508</u>
Total liabilities and fund balances	<u>\$ 592,548</u>	<u>\$ 153,602</u>	<u>\$ 56,363</u>	<u>\$ 802,513</u>

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
June 30, 2015**

Total fund balances - governmental funds	\$	646,508
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		31,121
<p>Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds.</p>		
Deferred outflows of resources	\$ 134,833	
Deferred inflows of resources	<u>(97,034)</u>	37,799
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Net pension liability		<u>(814,640)</u>
Net position of governmental activities	\$	<u><u>(99,212)</u></u>

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**For the year ended June 30, 2015**

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
<b>Revenues:</b>				
Local sources	\$ 452,005	\$ 76	\$ 25,766	\$ 477,847
State sources	95,234	377,027	763	473,024
Federal sources	8,323	329,179	-	337,502
On-behalf payments	267,684	-	-	267,684
Interest	542	18	99	659
	<u>823,788</u>	<u>706,300</u>	<u>26,628</u>	<u>1,556,716</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
Instructional services:				
Salaries	281,982	386,824	7,700	676,506
Benefits	48,430	44,413	2,069	94,912
Purchased services	110,528	101,392	12,441	224,361
Supplies and materials	17,926	54,066	2,592	74,584
Other	4,261	1,054	720	6,035
Payments to other governments	-	60,631	-	60,631
Pension expense	46,518	57,120	1,155	104,793
On-behalf payments	267,684	-	-	267,684
Capital outlay	4,288	800	-	5,088
	<u>781,617</u>	<u>706,300</u>	<u>26,677</u>	<u>1,514,594</u>
<b>Total expenditures</b>				
Net change in fund balances	42,171	-	(49)	42,122
Fund balances, beginning of year	<u>547,974</u>	<u>-</u>	<u>56,412</u>	<u>604,386</u>
Fund balances, end of year	<u>\$ 590,145</u>	<u>\$ -</u>	<u>\$ 56,363</u>	<u>\$ 646,508</u>

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**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, 2015**

Net changes in fund balances	\$	42,122
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$	5,088	
Depreciation expense		<u>(11,674)</u>	(6,586)

Certain expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Pension expense			<u>(30,420)</u>
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Changes in net position of governmental activities	\$	<u><u>5,116</u></u>
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The notes to the financial statements are an integral part of this statement.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
June 30, 2015**

	<u>Business-Type Activities</u> <u>Enterprise Fund</u> <u>Registration</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 222,714
Due from other governments	<u>515</u>
Total current assets	223,229
Noncurrent assets:	
Capital assets, net	<u>8,112</u>
Total assets	<u>231,341</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	2,038
Due to other governments	<u>60</u>
Total current liabilities	<u>2,098</u>
<b>NET POSITION</b>	
Net investment in capital assets	8,112
Unrestricted	<u>221,131</u>
Total net position	<u><u>\$ 229,243</u></u>

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
For the year ended June 30, 2015**

	Business-Type Activities
	Enterprise Fund
	Registration
Operating revenues:	
Charges for services	\$ 48,197
Operating expenses:	
Salaries	14,553
Benefits	402
Purchased services	18,568
Supplies and materials	6,210
Depreciation	835
Payments to other governments	1,997
Total operating expenses	42,565
Operating income	5,632
Nonoperating revenues:	
Interest income	450
Change in net position	6,082
Net position - beginning of year	223,161
Net position - end of year	\$ 229,243

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

**For the year ended June 30, 2015**

	<u>Business-Type Activities</u> <u>Enterprise Fund</u> <u>Registration</u>
Cash flows from operating activities:	
Collection of fees	\$ 48,418
Payments to suppliers and providers of goods and services	(25,140)
Payments to employees	(14,955)
Payments to other governments	<u>(1,997)</u>
Net cash provided by operating activities	<u>6,326</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(5,968)</u>
Net cash used for capital and related financing activities	<u>(5,968)</u>
Cash flows from investing activities:	
Interest received on investments	<u>450</u>
Net cash provided by investing activities	<u>450</u>
Net increase in cash and cash equivalents	808
Cash and cash equivalents - beginning of year	<u>221,906</u>
Cash and cash equivalents - end of year	<u><u>\$ 222,714</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 5,632
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	835
Decrease in due from other governments	221
Decrease in accounts payable	<u>(362)</u>
Net cash provided by operating activities	<u><u>\$ 6,326</u></u>

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2015**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 398,334
Due from other governments	<u>774,397</u>
Total assets	<u><u>\$1,172,731</u></u>
<b>LIABILITIES</b>	
Due to other governments	<u>\$1,172,731</u>
Total liabilities	<u><u>\$1,172,731</u></u>

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

**NOTES TO FINANCIAL STATEMENTS**

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Regional Office of Education No. 45's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

**A. Reporting Entity**

The Regional Office of Education No. 45 was created by Illinois Public Act 76-735, as amended, effective August 7, 1995. The Regional Office operates under the School Code (105 ILCS 5/3 and 5/3A). The region encompasses Monroe and Randolph counties.

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

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

The Regional Office of Education No. 45 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education No. 45 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education No. 45's financial statements. In addition, the Regional Office of Education No. 45 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 45 being considered a component unit of the entity.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

The Statement of Net Position includes all of the Regional Office of Education No. 45's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

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

Certain eliminations have been made as prescribed by governmental accounting standards in regards to interfund activities, such as payables, receivables, and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and the proprietary fund Statement of Net Position, and as transfers in/out on the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 45 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid expenses and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 45's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 45's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances, committed fund balances are used first, then assigned fund balances, then unassigned, if any.

**1. Governmental Funds**

The Regional Office of Education No. 45 reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the Regional Office of Education No. 45. It is used to account for all financial resources, except those required to be accounted for and reported in another fund. This fund is available to pay general and administrative expenditures of the Regional Office of Education No. 45. Included in this fund are:

**Chester Office Account** – 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 Account** – 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 Account** – The Regional Office of Education No. 45 receives a tax appropriation from Monroe and Randolph counties for operation purposes. These appropriations are requested on a yearly basis.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**1. Governmental Funds** (Continued)

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

**Adult Education and Family Literacy** – This group of funds 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.

**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 No. 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 No. 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.

**Title I School Improvement System of Support** – Grant monies in this fund are used to provide professional development activities to schools identified as Priority schools, Focus schools, and all schools under Foundational Services.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**1. Governmental Funds** (Continued)

**Education** (Continued)

**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 and principal performance evaluations.

**Truants Alternative Optional Education** – This program provides alternative educational program services to truant, chronic truant, potential dropout, and dropout students referred from local schools to the Regional Office of Education No. 45.

**Illinois Association of School Board Officials Forecast5 Project** – The contract with the Illinois State Board of Education was for financial consultation for 5 school districts, namely Brooklyn Unit District #188; Madison Community Unit School District 12; Meridian Community Unit School District 101; Venice Community Unit School District 3; Maywood-Melrose Park-Broadview ESD 89. These schools were identified as a result of the two district needs assessments conducted by the Illinois Center for School Improvement as needing assistance with finance and/or budgeting.

The subcontract with the Illinois Association of School Board Officials provided 5Sight Software for participating districts and would allow for hiring coaches to work with the schools to use the 5Sight Software to analyze their financial conditions and identify areas where improvements could be made.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**1. Governmental Funds (Continued)**

**Education (Continued)**

**Mathematics and Science Partnerships (Math)** – This program provides teachers in Southern Illinois with opportunities to increase their own knowledge in math and experience with the new IL Learning Standards.

**Mathematics and Science Partnerships (Science)** – This program provides teachers in Southern Illinois with opportunities to increase their own knowledge in science and experience with the new IL Learning Standards.

Additionally, the Regional Office of Education No. 45 reports the following nonmajor governmental funds:

**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 Fund** – The Teacher’s Institute Fund is authorized by Section 3-12 of the School Code. Teachers’ license 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 Fund** – 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 Fund** – This fund was established to administer the high school level test of General Educational Development.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**2. Proprietary Funds**

**Enterprise Funds** – 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.

The Regional Office of Education No. 45 reports the following major enterprise fund:

**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.

**3. Fiduciary Funds**

**Agency Funds** - Agency Funds are used to account for assets held by the Regional Office of Education No. 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. The Regional Office of Education No. 45 reports the following agency funds:

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

**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.

**Connecting Conference** – This fund receives and disburses monies for workshops provided and paid for by the Illinois Association of Regional Superintendent of Schools.

**The Maidez Center** – This fund receives and disburses monies for The Maidez Center, a 501(c)(3) organization that provides charitable support to other organizations serving at-risk youth and families.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**3. Fiduciary Funds** (Continued)

**Agency Funds** (Continued)

**School Facility Sales Tax** – Voters approved the use of a 1% sales tax to be used exclusively for school facility capital projects. Regional Office of Education No. 45 is the fiscal agent for processing payments from the State of Illinois to the school districts.

**D. Assets, Liabilities, and Net Position or Fund Balance**

**1. Cash and Investments**

The Regional Office of Education No. 45 considers cash on hand, checking accounts, savings accounts, money market accounts, and investments held with an original maturity date of less than 90 days to be cash and cash equivalents. State regulations require that the Regional Office of Education No. 45 deposit funds under its control into accounts insured by the federal government, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education No. 45 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

**2. Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” in the fund financial statements. Balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

**3. Prepaid Items**

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**4. Capital Assets**

Capital assets are reported in the applicable columns in the government-wide and proprietary fund financial statements. 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 and Furniture	5-10 years
Office Equipment	3-7 years

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

**5. Deferred Outflows of Resources and Deferred Inflows of Resources**

**Deferred Outflows of Resources** - Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

**Deferred Inflows of Resources** - Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measureable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources are reported in the governmental fund financial statements as unavailable revenue and represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**6. 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.

**7. Equity Classifications**

**Government-wide Statements**

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

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

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

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

**Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in a Governmental Fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

**Nonspendable Fund Balance** – The portion of a governmental fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. The Waterloo Office Account and County Account have nonspendable fund balances related to prepaid items, as these are not available to be spent.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**7. Equity Classifications** (Continued)

**Fund Statements** (Continued)

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

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

**Assigned Fund Balance** – The portion of a governmental fund’s fund balance to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The Regional Office of Education No. 45 has no assigned fund balances.

**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 Account, Waterloo Office Account, General State Aid, and County Account.

**E. New Accounting Pronouncement**

In 2015, the Regional Office of Education No. 45 implemented Governmental Accounting Standards Board (GASB) Statement No. 69 – *Government Combinations and Disposals of Government Operations*. This Statement had no impact on the financial statements of the Regional Office of Education No. 45. The Regional Office of Education also implemented Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These Statements improve accounting and financial reporting by the Regional Office for pensions by including pension related balances and activity on the Statement of Net Position and the Statement of Activities.

**2. BUDGETS AND BUDGETARY ACCOUNTING INFORMATION**

The Regional Office of Education No. 45 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

**2. BUDGETS AND BUDGETARY ACCOUNTING INFORMATION (Continued)**

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgets relating to programs funded by grants from the Illinois Community College Board must be prepared and submitted for approval. Budgets are also prepared for certain grants awarded through other pass-through entities. Budgetary Comparison Schedules have been presented for the following grants: Adult Education and Family Literacy - Federal Basic, Adult Education and Family Literacy - Public Assistance, Adult Education and Family Literacy - State Basic, Adult Education and Family Literacy - State Performance, Adult Volunteer Literacy Grant Program, Secretary of State Family Literacy Program, Regional Safe Schools, Title I School Improvement System of Support, McKinney Vento Education for Homeless Children, Area-Wide I-RTI Network Instructional Leader, ROE/ISC Operations, Title II Teacher Quality - Leadership Grant, Truants Alternative/Optional Education, Mathematics and Science Partnerships (Math), and Mathematics and Science Partnerships (Science).

**3. USE OF ESTIMATES**

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

**4. DEPOSITS**

At June 30, 2015, the carrying amount of the Regional Office of Education No. 45's deposits for the governmental activities, business-type activities, and fiduciary funds were \$524,150, \$222,714, and \$398,334, respectively. The bank balances for the governmental activities, business-type activities, and fiduciary funds totaled \$1,223,373, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education No. 45's name, and were, therefore, not exposed to custodial credit risk. The Illinois Funds Money Market Fund accounts had a total bank balance of \$6,249 at June 30, 2015. This amount is fully collateralized and not subject to credit risk.

**5. INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2015 interfund receivables and payables were as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 117,638	\$ -
Education Fund	-	117,638
Totals	\$ 117,638	\$ 117,638

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

**5. INTERFUND RECEIVABLES AND PAYABLES (Continued)**

At June 30, 2015, amounts receivable to the General Fund consisted of loans to various Education Fund accounts to cover cash shortages. These funds utilize the same pooled cash account.

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

At June 30, 2015, the Regional Office of Education No. 45's General Fund, Education Fund, Nonmajor Special Revenue Funds, Registration Fund, and Agency Funds had funds due to and due from various other governmental units which consisted of the following:

Due from Other Governments:

General Fund:	
Local Governments	\$ 23,283
Illinois State Board of Education	3,490
	<u>26,773</u>
Education Fund:	
Illinois State Board of Education	69,419
Illinois Community College Board	3,656
Regional Office of Education No. 47	16,300
Regional Office of Education No. 3	7,510
Regional Office of Education No. 50	22,539
	<u>119,424</u>
Nonmajor Special Revenue Funds:	
Local Governments	<u>333</u>
Registration Fund:	
Local Governments	<u>515</u>
	<u>\$ 147,045</u>
Agency Funds:	
Illinois State Board of Education	\$ 28,129
Illinois Comptroller	745,476
Local Governments	792
	<u>\$ 774,397</u>

Due to Other Governments:

Registration Fund:	
Lindenwood University	<u>\$ 60</u>
Agency Funds:	
Illinois State Board of Education	\$ 28,129
Local Governments	1,144,602
	<u>\$1,172,731</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

**7. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
<b>Governmental activities:</b>				
Capital assets being depreciated:				
Equipment and furniture	\$ 164,637	\$ 5,088	\$ 21,381	\$ 148,344
Less accumulated depreciation for:				
Equipment and furniture	(126,930)	(11,674)	(21,381)	(117,223)
Governmental activities capital assets, net	\$ 37,707	\$ (6,586)	\$ -	\$ 31,121
 <b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment and furniture	\$ 4,904	\$ 5,968	\$ -	\$ 10,872
Less accumulated depreciation for:				
Equipment and furniture	(1,925)	(835)	-	(2,760)
Business-type activities capital assets, net	\$ 2,979	\$ 5,133	\$ -	\$ 8,112

Depreciation expense was charged to functions/programs of the Regional Office of Education No. 45 as follows:

Governmental activities:	
Instructional services	\$ 11,674
Business-type activities:	
Registration services	\$ 835

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS**

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

**Plan Description**

The employer 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. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. 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 TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

**Benefits Provided**

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system services prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Contributions**

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2015, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 45.

**On behalf contributions to TRS** - The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2015, State of Illinois contributions recognized by the Regional Office of Education No. 45 were based on the State's proportionate share of the collective net pension liability associated with the Regional Office of Education No. 45, and the Regional Office of Education No. 45 recognized revenue and expenditures of \$100,363 in pension contributions from the State of Illinois.

**2.2 formula contributions** - Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were \$1,482, and are deferred because they were paid after the June 30, 2014 measurement date.

**Federal and special trust fund contributions** - When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 45, there is a statutory requirement for the Regional Office of Education No. 45 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since 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. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$83,145 were paid from federal and special trust funds that required employer contributions of \$27,438. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Contributions** (Continued)

**Employer retirement cost contributions** - Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 45 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the Regional Office of Education No. 45 paid no employer ERO contributions to TRS.

The Regional Office of Education No. 45 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the Regional Office of Education No. 45 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2015, the Regional Office of Education No. 45 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 550,677
State's proportionate share of the net pension liability associated with the employer	1,246,578
<b>Total</b>	<b>\$ 1,797,255</b>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The Regional Office of Education No. 45's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2014, the Regional Office of Education No. 45's proportion was 0.0009048518 percent.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The Regional Office of Education No. 45's proportion of the net pension liability as of June 30, 2013, was based on the Regional Office of Education No. 45's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2013, the Regional Office of Education No. 45's proportion was 0.0010292204 percent.

For the year ended June 30, 2015, the Regional Office of Education No. 45 recognized pension expense of \$100,363 and revenue of \$100,363 for support provided by the State. For the year ended June 30, 2015, the Regional Office of Education No. 45 recognized pension expense of \$28,247. At June 30, 2015, the Regional Office of Education No. 45 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b><u>Deferred Amounts Related to Pensions</u></b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ 291	\$ -
Net difference between projected and actual earnings on pension plan investments	-	27,676
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	62,698
	<hr/>	<hr/>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	291	90,374
<b>Employer Contributions Made Subsequent to the Measurement Date</b>	<hr/>	<hr/>
	28,920	-
<b>Total Deferred Amounts Related to Pensions</b>	<hr/> <hr/>	<hr/> <hr/>
	\$ 29,211	\$ 90,374

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

\$28,920 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	<b>Net Deferred Inflows of of Resources</b>
2016	\$ 22,066
2017	22,066
2018	22,066
2019	22,066
2020	1,819
Total	\$ 90,083

**Actuarial Assumptions**

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	5.75%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Actuarial Assumptions** (Continued)

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap	18%	8.23%
Global equity excluding U.S.	18%	8.58%
Aggregate bonds	16%	2.27%
U.S. TIPS	2%	3.52%
NCREIF	11%	5.81%
Opportunistic real estate	4%	9.79%
ARS	8%	3.27%
Risk parity	8%	5.57%
Diversified inflation strategy	1%	3.96%
Private equity	14%	13.03%
Total	<u>100%</u>	

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Regional Office of Education No. 45's proportionate share of the net pension liability to changes in the discount rate**

The following presents the Regional Office of Education No. 45's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Regional Office of Education No. 45's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	<b>1% Lower</b>	<b>Current Discount Rate</b>	<b>1% Higher</b>
	<b>6.5%</b>	<b>7.5%</b>	<b>8.5%</b>
Employer's proportionate share of the net pension liability	<u>\$ 680,059</u>	<u>\$ 550,677</u>	<u>\$ 443,534</u>

**TRS Fiduciary Net Position**

Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

**B. Illinois Municipal Retirement Fund**

**IMRF Plan Description**

The Regional Office of Education No. 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 No. 45's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Benefits Provided** (Continued)

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**Employees Covered by Benefit Terms**

As of December 31, 2014, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	26
Inactive plan members entitled to but not yet receiving benefits	18
Active plan members	11
Total	55

**Contributions**

As set by statute, the Regional Office of Education No. 45's Regular Plan Members are required to contribute 4.5% 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 No. 45's annual contribution rate for calendar year 2014 was 22.43%. For the calendar year 2014, the Regional Office of Education No. 45 contributed \$74,093 to the plan. The Regional Office of Education No. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Net Pension Liability**

The Regional Office of Education No. 45's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 3.5%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Actuarial Assumptions** (Continued)

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	38%	7.60%
International equity	17%	7.80%
Fixed income	27%	3.00%
Real estate	8%	6.15%
Alternative investments	9%	5.25 - 8.50%
Cash equivalents	1%	2.25%
Total	<u>100%</u>	

**Single Discount Rate**

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.50%.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Changes in the Net Pension Liability**

	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension Liability (Asset) (A) - (B)</b>
<b>Balances at December 31, 2013</b>	\$ 2,733,111	\$ 2,561,934	\$ 171,177
<b>Changes for the year:</b>			
Service Cost	44,199	-	44,199
Interest on the total pension liability	200,487	-	200,487
Differences between expected and actual experience of the total pension liability	(15,402)	-	(15,402)
Changes in assumptions	121,901	-	121,901
Contributions - employer	-	74,093	(74,093)
Contributions - employees	-	14,865	(14,865)
Net investment income	-	171,708	(171,708)
Benefit payments, including refunds of employee contributions	(164,114)	(164,114)	-
Other (net transfer)	-	(2,267)	2,267
Net changes	<u>187,071</u>	<u>94,285</u>	<u>92,786</u>
<b>Balances at December 31, 2014</b>	<u>\$ 2,920,182</u>	<u>\$ 2,656,219</u>	<u>\$ 263,963</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<b>1% Lower 6.50%</b>	<b>Current Discount Rate 7.50%</b>	<b>1% Higher 8.50%</b>
Net Pension Liability/(Asset)	<u>\$ 616,798</u>	<u>\$ 263,963</u>	<u>\$ (28,323)</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources  
Related to Pensions**

For the year ended June 30, 2015, the Regional Office of Education No. 45 recognized pension expense of \$106,967. At June 30, 2015, the Regional Office of Education No. 45 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b><u>Deferred Amounts Related to Pensions</u></b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ -	\$ 6,660
Changes of assumptions	52,714	-
Net difference between projected and actual earnings on pension plan investments	13,859	-
	<hr/>	<hr/>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	66,573	6,660
<b>Pension Contributions Made Subsequent to the Measurement Date</b>	39,049	-
	<hr/>	<hr/>
<b>Total Deferred Amounts Related to Pensions</b>	<b><u>\$ 105,622</u></b>	<b><u>\$ 6,660</u></b>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

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

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

\$39,049 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, which net to deferred outflows of resources, will be recognized in pension expense in future periods as follows:

<b>Year Ending December 31,</b>	<b>Net Deferred Outflows of Resources</b>
2015	\$ 49,518
2016	3,465
2017	3,465
2018	3,465
Total	\$ 59,913

**C. Social Security**

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

**9. OTHER POSTEMPLOYMENT BENEFITS**

**A. Teacher Health Insurance Security Fund**

The Regional Office of Education No. 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 not enrolled in Medicare may participate in the State-administered participating provider option plan or choose from several managed care options. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

**9. OTHER POSTEMPLOYMENT BENEFITS** (Continued)

**A. Teacher Health Insurance Security Fund** (Continued)

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

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

**On Behalf Contributions to the THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 45. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$2,607, and the Regional Office of Education No. 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, 2014 and 2013 were 0.97 and 0.92 percent of pay, respectively. State contributions on behalf of Regional Office of Education No. 45 employees were \$1,960 and \$1,856, respectively.

**Employer Contributions to the THIS Fund**

The Regional Office of Education No. 45 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015 and 0.72 and 0.69 percent during the years ended June 30, 2014 and June 30, 2013, respectively. For the year ended June 30, 2015, the Regional Office of Education No. 45 paid \$1,942 to the THIS Fund which was 100 percent of the required contribution. For the years ended June 30, 2014 and June 30, 2013, the Regional Office of Education No. 45 paid \$1,455 and \$1,392 to the THIS Fund, respectively, which was 100 percent of the required contribution.

**Further Information on the 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 current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

**9. OTHER POSTEMPLOYMENT BENEFITS** (Continued)

**B. Other Postemployment Benefits**

The Regional Office of Education No. 45 allows employees, who retire through the Regional Office of Education No. 45's plan disclosed in Note 8B, the option to continue in the Regional Office of Education No. 45's health insurance plan as required by the Illinois Compiled Statutes, but the retiree pays the full premium for the health insurance. This has not created an implicit subsidy as defined by GASB Statement No. 45 (GASB S-45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* as the Regional Office of Education No. 45's health insurance plan is considered a community rated plan. In addition, the Regional Office of Education No. 45 has no explicit subsidy as defined in GASB S-45.

**10. DISTRIBUTIVE FUND INTEREST**

A written agreement between the Regional Office of Education No. 45's school boards, which receive funds through the Regional Office of Education No. 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.

**11. ON-BEHALF PAYMENTS**

The State of Illinois paid the following salaries, benefits, and contributions on behalf of the Regional Office of Education No. 45:

State of Illinois:	
Regional Superintendent - salary	\$ 106,356
Regional Superintendent - benefits (includes State paid insurance)	31,807
Assistant Regional Superintendent - salary	95,736
Assistant Regional Superintendent - benefits (includes State paid insurance)	31,178
THIS contributions	2,607
	\$ 267,684

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

**11. ON-BEHALF PAYMENTS** (Continued)

The Regional Office of Education No. 45 also recorded \$100,363 (based on figures for the fiscal year ended June 30, 2014) in revenue and expenses as on-behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, the Regional Office of Education No. 45 has not included any on-behalf payments related to the State's TRS pension expenses for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$ 267,684
On-behalf payments for the Regional Office of Education's share of TRS pension expense	<u>100,363</u>
Total	<u><u>\$ 368,047</u></u>

**12. OPERATING LEASES**

The Regional Office of Education No. 45 has the following operating leases:

The Regional Office of Education No. 45 entered into a one year lease agreement for rental of 107 East Mill Street, Waterloo (Waterloo Regional Office building) beginning December 1, 2013 and terminating November 30, 2014. The Regional Office of Education No. 45 renewed the lease starting December 1, 2014 and terminating November 30, 2015. The lease is payable in monthly installments of \$1,800. Lease expense for the office building for the fiscal year ended June 30, 2015 was \$21,600.

The Regional Office of Education No. 45 entered into a lease agreement for rental of the building known as "Red Brick School" for three years beginning July 1, 2013 and terminating June 30, 2016. The lease is payable in monthly installments of \$875 per month. Lease expense for the "Red Brick School" for the fiscal year ended June 30, 2015 was \$10,500.

The following is a schedule of future minimum lease payments required under the above operating leases:

Year Ending June 30,	
2016	<u><u>\$ 19,500</u></u>

**13. RISK MANAGEMENT**

The Regional Office of Education No. 45 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education No. 45 is covered by commercial insurance to cover these risks. No settlements have exceeded insurance coverage in the current or three previous years.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**NOTES TO FINANCIAL STATEMENTS**

**14. BOND**

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 45 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education No. 45 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

**15. CONTINGENCIES**

The Regional Office of Education No. 45 has received funding from federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education No. 45 believes any adjustments that may arise will be insignificant to the Regional Office of Education No. 45's operations.

**16. PRIOR PERIOD ADJUSTMENT**

The Regional Office of Education No. 45 has restated net position of the governmental activities as of June 30, 2014. The governmental activities' net position was restated to present a net pension asset, net pension liability, and the related deferred outflows of resources in accordance with Governmental Accounting Standards Board Statements No. 68 and No. 71. Net position of the governmental activities has also been restated to capitalize assets that were expensed in the prior fiscal year.

	Governmental Activities
Net position at June 30, 2014	\$ 638,093
Capitalize assets that were previously expensed	4,000
Recognition of pension liability	(815,975)
Recognition of deferred outflows of resources	69,554
Net position, restated at June 30, 2014	\$ (104,328)

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

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**ILLINOIS MUNICIPAL RETIREMENT FUND -  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS  
(UNAUDITED)**

**For the year ended June 30, 2015**

**(Amounts presented are for the calendar year ended December 31, 2014)**

**Total Pension Liability**

Service cost	\$ 44,199
Interest on the total pension liability	200,487
Differences between expected and actual experience of the total pension liability	(15,402)
Changes of assumptions	121,901
Benefit payments, including refunds of employee contributions	<u>(164,114)</u>

<b>Net change in total pension liability</b>	187,071
<b>Total pension liability - beginning</b>	<u>2,733,111</u>
<b>Total pension liability - ending (A)</b>	<u>2,920,182</u>

**Plan Fiduciary Net Position**

Contributions - employer	74,093
Contributions - employees	14,865
Net investment income	171,708
Benefit payments, including refunds of employee contributions	(164,114)
Other (net transfer)	<u>(2,267)</u>

<b>Net change in plan fiduciary net position</b>	94,285
<b>Plan fiduciary net position - beginning</b>	<u>2,561,934</u>
<b>Plan fiduciary net position - ending (B)</b>	<u>2,656,219</u>

<b>Net pension liability - ending (A) - (B)</b>	<u><u>\$ 263,963</u></u>
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<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	90.96%
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<b>Covered Valuation Payroll</b>	\$ 330,328
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<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	79.91%
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**Notes to Schedules:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**ILLINOIS MUNICIPAL RETIREMENT FUND -  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
(UNAUDITED)**

**For the year ended June 30, 2015**

**(Amounts presented are for the calendar year ended December 31, 2014)**

<u>Calendar Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a Percentage of Covered Valuation Payroll</u>
2014	\$ 72,044	\$ 74,093	\$ (2,049)	\$ 330,328	22.43%

**Notes to Schedule:**

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate\***

***Valuation Date:***

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2014 Contribution Rates:**

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	29-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
	3%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	4.40% to 16%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**ILLINOIS MUNICIPAL RETIREMENT FUND -  
SCHEDULE OF EMPLOYER CONTRIBUTIONS (Concluded)  
(UNAUDITED)**

**For the year ended June 30, 2015**

**(Amounts presented are for the calendar year ended December 31, 2014)**

**Notes to Schedule:** (Continued)

***Other Information:***

There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2012, actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**TEACHERS' RETIREMENT SYSTEM  
OF THE STATE OF ILLINOIS -  
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
(UNAUDITED)**

**For the year ended June 30, 2015  
(Amounts presented are for the year ended June 30, 2014)**

Employer's proportion of the net pension liability	0.0009048518%
Employer's proportionate share of the net pension liability	\$ 550,677
State's proportionate share of the net pension liability associated with the employer	1,246,578
<b>Total</b>	<b>\$ 1,797,255</b>
Employer's covered-employee payroll	\$ 237,694
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	232%
Plan fiduciary net position as a percentage of the total pension liability	43%

**Notes to Schedule:**

**Changes of assumptions**

Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.0 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**TEACHERS' RETIREMENT SYSTEM  
OF THE STATE OF ILLINOIS -  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
(UNAUDITED)  
For the year ended June 30,**

	2015	2014
Contractually-required contribution	\$ 28,920	\$ 32,285
Contributions in relation to the contractually-required contribution	28,920	32,285
Contribution deficiency (excess)	\$ -	\$ -
Employer's covered-employee payroll	\$ 255,558	\$ 237,694
Contributions as a percentage of covered-employee payroll	11.3%	13.6%

**SUPPLEMENTARY INFORMATION**

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2015**

	Office Account		General State Aid	County Account		Total
	Chester	Waterloo	Chester	Waterloo		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 64,685	\$ 85,586	\$ 220,390	\$ 69,530	\$ 440,191	
Due from other funds	3,656	113,982	-	-	117,638	
Due from other governments	2,449	19,284	5,040	-	26,773	
Prepaid items	-	7,178	-	768	7,946	
Total assets	<u>\$ 70,790</u>	<u>\$ 226,030</u>	<u>\$ 225,430</u>	<u>\$ 70,298</u>	<u>\$ 592,548</u>	
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 392	\$ -	\$ -	\$ 392	
Accrued wages and benefits	-	285	-	-	285	
Unearned revenue	8	1,718	-	-	1,726	
Total liabilities	<u>8</u>	<u>2,395</u>	<u>-</u>	<u>-</u>	<u>2,403</u>	
<b>FUND BALANCES</b>						
Nonspendable	-	7,178	-	768	7,946	
Unassigned	70,782	216,457	225,430	69,530	582,199	
Total fund balances	<u>70,782</u>	<u>223,635</u>	<u>225,430</u>	<u>70,298</u>	<u>590,145</u>	
Total liabilities and fund balances	<u>\$ 70,790</u>	<u>\$ 226,030</u>	<u>\$ 225,430</u>	<u>\$ 70,298</u>	<u>\$ 592,548</u>	

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
For the year ended June 30, 2015**

	Office Account		General State Aid	County Account	Total
	Chester	Waterloo	Chester	Waterloo	
Revenues:					
Local sources	\$ 1,004	\$ 190,506	\$ 48,495	\$ 212,000	\$ 452,005
State sources	-	-	95,234	-	95,234
Federal sources	-	-	8,323	-	8,323
On-behalf payments	-	267,684	-	-	267,684
Interest	34	337	102	69	542
Total revenue	1,038	458,527	152,154	212,069	823,788
Expenditures:					
Salaries	-	99,496	95,872	86,614	281,982
Benefits	-	10,492	15,572	22,366	48,430
Purchased services	-	39,336	28,312	42,880	110,528
Supplies and materials	199	34	6,422	11,271	17,926
Capital outlay	-	1,800	-	2,488	4,288
Other	-	-	-	4,261	4,261
Pension expense	-	15,323	11,892	19,303	46,518
On-behalf payments	-	267,684	-	-	267,684
Total expenditures	199	434,165	158,070	189,183	781,617
Net change in fund balances	839	24,362	(5,916)	22,886	42,171
Fund balances, beginning of year	69,943	199,273	231,346	47,412	547,974
Fund balances, end of year	\$ 70,782	\$ 223,635	\$ 225,430	\$ 70,298	\$ 590,145

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2015**

	Education Fund		
	Chester	Waterloo	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 34,178	\$ 34,178
Due from other governments	3,656	115,768	119,424
Total assets	\$ 3,656	\$ 149,946	\$ 153,602
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 35,964	\$ 35,964
Due to other funds	3,656	113,982	117,638
Total liabilities	3,656	149,946	153,602
 <b>FUND BALANCES</b>			
Total liabilities and fund balances	\$ 3,656	\$ 149,946	\$ 153,602

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the year ended June 30, 2015**

	Education Fund		
	Chester	Waterloo	Total
Revenues:			
Local sources	\$ 76	\$ -	\$ 76
State sources	149,625	227,402	377,027
Federal sources	21,208	307,971	329,179
Interest	11	7	18
	170,920	535,380	706,300
 Expenditures:			
Salaries	112,061	274,763	386,824
Benefits	12,776	31,637	44,413
Purchased services	17,732	83,660	101,392
Supplies and materials	13,895	40,171	54,066
Capital outlay	-	800	800
Other	11	1,043	1,054
Pension expense	14,445	42,675	57,120
Payments to other governments	-	60,631	60,631
	170,920	535,380	706,300
 Net change in fund balances	-	-	-
 Fund balances, beginning of year	-	-	-
 Fund balances, end of year	\$ -	\$ -	\$ -

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
CHESTER OFFICE  
June 30, 2015**

	Adult Education and Family Literacy			
	Federal Basic	Public Assistance	State Basic	State Performance
<b>ASSETS</b>				
Due from other governments	\$ -	\$ 61	\$ 1,987	\$ 1,608
Total assets	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ 1,987</u>	<u>\$ 1,608</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 61	\$ 1,987	\$ 1,608
<b>FUND BALANCES</b>				
Total liabilities and fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ 1,987</u>	<u>\$ 1,608</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF ACCOUNTS (Concluded)  
EDUCATION FUND  
CHESTER OFFICE  
June 30, 2015**

	Adult Volunteer Literacy Grant Program	Secretary of State Family Literacy Program	Regional Safe Schools	Total
<b>ASSETS</b>				
Due from other governments	\$ -	\$ -	\$ -	\$ 3,656
Total assets	\$ -	\$ -	\$ -	\$ 3,656
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ 3,656
<b>FUND BALANCES</b>				
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ 3,656

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
For the year ended June 30, 2015**

	Adult Education and Family Literacy			
	Federal Basic	Public Assistance	State Basic	State Performance
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	736	23,846	19,293
Federal sources	21,208	-	-	-
Interest	1	-	-	-
	<u>21,209</u>	<u>736</u>	<u>23,846</u>	<u>19,293</u>
Total revenues	<u>21,209</u>	<u>736</u>	<u>23,846</u>	<u>19,293</u>
Expenditures:				
Salaries	12,134	500	14,204	9,090
Benefits	1,741	17	1,617	937
Purchased services	2,007	88	3,418	3,645
Supplies and materials	2,219	4	2,130	3,422
Other	1	-	-	-
Pension expense	3,107	127	2,477	2,199
	<u>21,209</u>	<u>736</u>	<u>23,846</u>	<u>19,293</u>
Total expenditures	<u>21,209</u>	<u>736</u>	<u>23,846</u>	<u>19,293</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Concluded)  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
For the year ended June 30, 2015**

	Adult Volunteer Literacy Grant Program	Secretary of State Family Literacy Program	Regional Safe Schools	Total
Revenues:				
Local sources	\$ -	\$ 76	\$ -	\$ 76
State sources	26,260	28,000	51,490	149,625
Federal sources	-	-	-	21,208
Interest	5	5	-	11
	<u>26,265</u>	<u>28,081</u>	<u>51,490</u>	<u>170,920</u>
Total revenues				
Expenditures:				
Salaries	14,800	22,284	39,049	112,061
Benefits	1,800	1,360	5,304	12,776
Purchased services	3,054	994	4,526	17,732
Supplies and materials	2,562	1,173	2,385	13,895
Other	5	5	-	11
Pension expense	4,044	2,265	226	14,445
	<u>26,265</u>	<u>28,081</u>	<u>51,490</u>	<u>170,920</u>
Total expenditures				
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
ADULT EDUCATION AND FAMILY LITERACY - FEDERAL BASIC  
For the year ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
Federal sources	\$ 21,208	\$ 21,208	\$ 21,208
Interest	-	-	1
	<u>21,208</u>	<u>21,208</u>	<u>21,209</u>
Expenditures:			
Salaries	13,500	13,500	12,134
Benefits	3,645	3,645	1,741
Purchased services	1,867	1,867	2,007
Supplies and materials	2,196	2,196	2,219
Other	-	-	1
Pension expense	-	-	3,107
	<u>21,208</u>	<u>21,208</u>	<u>21,209</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE**

**ADULT EDUCATION AND FAMILY LITERACY - PUBLIC ASSISTANCE  
For the year ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
State sources	\$ 736	\$ 736	\$ 736
Expenditures:			
Salaries	500	500	500
Benefits	145	145	17
Purchased services	91	91	88
Supplies and materials	-	-	4
Pension expense	-	-	127
Total expenditures	<u>736</u>	<u>736</u>	<u>736</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
ADULT EDUCATION AND FAMILY LITERACY - STATE BASIC  
For the year ended June 30, 2015**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 23,846	\$ 23,846	\$ 23,846
Expenditures:			
Salaries	15,000	15,000	14,204
Benefits	3,410	3,410	1,617
Purchased services	3,386	3,386	3,418
Supplies and materials	2,050	2,050	2,130
Pension expense	-	-	2,477
Total expenditures	23,846	23,846	23,846
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
ADULT EDUCATION AND FAMILY LITERACY - STATE PERFORMANCE  
For the year ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
State sources	\$ 19,293	\$ 19,293	\$ 19,293
Expenditures:			
Salaries	10,955	10,955	9,090
Benefits	4,063	4,063	937
Purchased services	2,163	2,163	3,645
Supplies and materials	2,112	2,112	3,422
Pension expense	-	-	2,199
Total expenditures	<u>19,293</u>	<u>19,293</u>	<u>19,293</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
ADULT VOLUNTEER LITERACY GRANT PROGRAM  
For the year ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 26,260	\$ 26,260	\$ 26,260
Interest	-	-	5
Total revenues	<u>26,260</u>	<u>26,260</u>	<u>26,265</u>
Expenditures:			
Salaries	14,800	14,800	14,800
Benefits	5,625	5,625	1,800
Purchased services	4,035	4,035	3,054
Supplies and materials	1,800	1,800	2,562
Other	-	-	5
Pension expense	-	-	4,044
Total expenditures	<u>26,260</u>	<u>26,260</u>	<u>26,265</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
SECRETARY OF STATE FAMILY LITERACY PROGRAM  
For the year ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
Local sources	\$ -	\$ -	\$ 76
State sources	28,000	28,000	28,000
Interest	-	-	5
	<u>28,000</u>	<u>28,000</u>	<u>28,081</u>
Expenditures:			
Salaries	22,300	22,300	22,284
Benefits	3,085	3,085	1,360
Purchased services	865	865	994
Supplies and materials	1,750	1,750	1,173
Other	-	-	5
Pension expense	-	-	2,265
	<u>28,000</u>	<u>28,000</u>	<u>28,081</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
CHESTER OFFICE  
REGIONAL SAFE SCHOOLS PROGRAM - #15-3696-00  
For the year ended June 30, 2015**

	<u>Budgeted Amounts</u>		Actual
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
State sources	\$ 52,675	\$ 51,490	\$ 51,490
Expenditures:			
Salaries	40,397	38,647	39,049
Benefits	5,582	5,533	5,304
Purchased services	4,430	4,398	4,526
Supplies and materials	2,266	2,912	2,385
Pension expense	-	-	226
Total expenditures	<u>52,675</u>	<u>51,490</u>	<u>51,490</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
WATERLOO OFFICE  
June 30, 2015**

	<u>Title I School Improvement System of Support</u>	<u>Rural Education Achievement Program</u>	<u>McKinney Vento Education for Homeless Children</u>	<u>Area-Wide I-RTI Network Instructional Leader (2015)</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	<u>22,539</u>	<u>-</u>	<u>7,510</u>	<u>16,300</u>
Total assets	<u><u>\$ 22,539</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,510</u></u>	<u><u>\$ 16,300</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,330
Due to other funds	<u>22,539</u>	<u>-</u>	<u>7,510</u>	<u>13,970</u>
Total liabilities	22,539	-	7,510	16,300
<b>FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ 22,539</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,510</u></u>	<u><u>\$ 16,300</u></u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
EDUCATION FUND  
WATERLOO OFFICE  
June 30, 2015**

	Area-Wide I-RTI Network Instructional Leader (2014)	ROE/ISC Operations	Title II Teacher Quality Leadership	Truants Alternative Optional Education
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,800
Due from other governments	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ 1,800
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,800
Due to other funds	-	-	-	-
Total liabilities	-	-	-	1,800
<b>FUND BALANCES</b>				
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ 1,800

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF ACCOUNTS (Concluded)  
EDUCATION FUND  
WATERLOO OFFICE  
June 30, 2015**

	<u>IASBO Forecast5 Project</u>	<u>Mathematics and Science Partnerships (Math)</u>	<u>Mathematics and Science Partnerships (Science)</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 32,378	\$ -	\$ -	\$ 34,178
Due from other governments	<u>32,501</u>	<u>18,686</u>	<u>18,232</u>	<u>115,768</u>
Total assets	<u><u>\$ 64,879</u></u>	<u><u>\$ 18,686</u></u>	<u><u>\$ 18,232</u></u>	<u><u>\$ 149,946</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 31,834	\$ -	\$ -	\$ 35,964
Due to other funds	<u>33,045</u>	<u>18,686</u>	<u>18,232</u>	<u>113,982</u>
Total liabilities	64,879	18,686	18,232	149,946
FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ 64,879</u></u>	<u><u>\$ 18,686</u></u>	<u><u>\$ 18,232</u></u>	<u><u>\$ 149,946</u></u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
For the year ended June 30, 2015**

	Title I School Improvement System of Support	Rural Education Achievement Program	McKinney Vento Education for Homeless Children	Area-Wide I-RTI Network Instructional Leader (2015)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	47,060	17,819	20,835	133,216
Interest	-	-	-	-
<b>Total revenues</b>	<b>47,060</b>	<b>17,819</b>	<b>20,835</b>	<b>133,216</b>
Expenditures:				
Salaries	27,566	-	14,880	86,443
Benefits	533	-	267	10,665
Purchased services	1,743	-	2,015	13,334
Supplies and materials	1,237	-	3,518	647
Capital outlay	-	-	-	-
Other	-	-	-	-
Pension expense	395	-	155	22,127
Payments to other governments	15,586	17,819	-	-
<b>Total expenditures</b>	<b>47,060</b>	<b>17,819</b>	<b>20,835</b>	<b>133,216</b>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Continued)  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
For the year ended June 30, 2015**

	Area-Wide I-RTI Network Instructional Leader (2014)	ROE/ISC Operations	Title II Teacher Quality Leadership	Truants Alternative Optional Education
Revenues:				
State sources	\$ -	\$ 56,684	\$ -	\$ 138,217
Federal sources	50,188	-	1,935	-
Interest	-	7	-	-
Total revenues	<u>50,188</u>	<u>56,691</u>	<u>1,935</u>	<u>138,217</u>
Expenditures:				
Salaries	30,579	32,050	25	76,979
Benefits	4,446	3,744	4	10,769
Purchased services	5,794	12,059	1,901	15,187
Supplies and materials	876	1,337	-	3,738
Capital outlay	-	800	-	-
Other	-	1,043	-	-
Pension expense	8,493	5,658	5	4,318
Payments to other governments	-	-	-	27,226
Total expenditures	<u>50,188</u>	<u>56,691</u>	<u>1,935</u>	<u>138,217</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Concluded)  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
For the year ended June 30, 2015**

	IASBO Forecast5 Project	Mathematics and Science Partnerships (Math)	Mathematics and Science Partnerships (Science)	Total
Revenues:				
State sources	\$ 32,501	\$ -	\$ -	\$ 227,402
Federal sources	-	18,686	18,232	307,971
Interest	-	-	-	7
<b>Total revenues</b>	<b>32,501</b>	<b>18,686</b>	<b>18,232</b>	<b>535,380</b>
Expenditures:				
Salaries	726	2,766	2,749	274,763
Benefits	69	584	556	31,637
Purchased services	31,516	43	68	83,660
Supplies and materials	-	14,635	14,183	40,171
Capital outlay	-	-	-	800
Other	-	-	-	1,043
Pension expense	190	658	676	42,675
Payments to other governments	-	-	-	60,631
<b>Total expenditures</b>	<b>32,501</b>	<b>18,686</b>	<b>18,232</b>	<b>535,380</b>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
TITLE I SCHOOL IMPROVEMENT SYSTEM OF SUPPORT  
For the year ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
Federal sources	\$ 47,280	\$ 66,780	\$ 47,060
Expenditures:			
Salaries	28,810	30,481	27,566
Benefits	2,646	2,471	533
Purchased services	6,085	3,978	1,743
Supplies and materials	1,260	1,702	1,237
Pension expense	-	-	395
Payments to other governments	8,479	28,148	15,586
Total expenditures	<u>47,280</u>	<u>66,780</u>	<u>47,060</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
MCKINNEY VENTO EDUCATION FOR HOMELESS CHILDREN  
For the year ended June 30, 2015**

	<u>Budgeted Amounts</u>		Actual
	<u>Original</u>	<u>Final</u>	Amounts
Revenues:			
Federal sources	\$ 16,835	\$ 20,835	\$ 20,835
Expenditures:			
Salaries	12,180	14,880	14,880
Benefits	337	416	267
Purchased services	1,749	2,629	2,015
Supplies and materials	2,569	2,910	3,518
Pension expense	-	-	155
Total expenditures	<u>16,835</u>	<u>20,835</u>	<u>20,835</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
AREA-WIDE I-RTI NETWORK INSTRUCTIONAL LEADER (2015)  
For the year ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
Federal sources	\$ 187,575	\$ 187,575	\$ 133,216
Expenditures:			
Salaries	120,377	120,377	86,443
Benefits	46,611	46,611	10,665
Purchased services	19,783	19,783	13,334
Supplies and materials	804	804	647
Pension expense	-	-	22,127
Total expenditures	<u>187,575</u>	<u>187,575</u>	<u>133,216</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
AREA-WIDE I-RTI NETWORK INSTRUCTIONAL LEADER (2014)  
For the year ended June 30, 2015**

	<u>Budgeted Amounts</u>		Actual
	<u>Original</u>	<u>Final</u>	Amounts
Revenues:			
Federal sources	\$ 185,851	\$ 185,851	\$ 50,188
Expenditures:			
Salaries	114,802	114,802	30,579
Benefits	53,203	53,203	4,446
Purchased services	17,246	17,246	5,794
Supplies and materials	600	600	876
Pension expense	-	-	8,493
Total expenditures	<u>185,851</u>	<u>185,851</u>	<u>50,188</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE  
ROE/ISC OPERATIONS - PROJECT #15-3730-00  
For the year ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
State sources	\$ 56,684	\$ 56,684	\$ 56,684
Interest	-	-	7
Total revenues	<u>56,684</u>	<u>56,684</u>	<u>56,691</u>
Expenditures:			
Salaries	31,350	31,350	32,050
Benefits	7,849	10,201	3,744
Purchased services	14,551	12,199	12,059
Supplies and materials	1,134	1,134	1,337
Capital outlay	800	800	800
Other	1,000	1,000	1,043
Pension expense	-	-	5,658
Total expenditures	<u>56,684</u>	<u>56,684</u>	<u>56,691</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE**

**TITLE II TEACHER QUALITY - LEADERSHIP GRANT - PROJECT #15-4935-02  
For the year ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 2,235	\$ 2,235	\$ 1,935
Expenditures:			
Salaries	25	25	25
Benefits	10	10	4
Purchased services	2,200	2,200	1,901
Pension expense	-	-	5
Total expenditures	2,235	2,235	1,935
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE**

**TRUANTS ALTERNATIVE/OPTIONAL EDUCATION - PROJECT #15-3695-15  
For the year ended June 30, 2015**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 141,399	\$ 138,217	\$ 138,217
Expenditures:			
Salaries	75,435	76,435	76,979
Benefits	14,095	14,595	10,769
Purchased services	20,989	15,307	15,187
Supplies and materials	4,240	4,240	3,738
Pension expense	-	-	4,318
Payments to other governments	26,640	27,640	27,226
Total expenditures	141,399	138,217	138,217
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE**

**MATHEMATICS AND SCIENCE PARTNERSHIPS (MATH) - PROJECT #15-4936-MA  
For the year ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 18,686
Expenditures:			
Salaries	40,550	40,550	2,766
Benefits	16,974	16,974	584
Purchased services	34,181	34,181	43
Supplies and materials	34,075	34,075	14,635
Pension expense	-	-	658
Payments to other governments	124,220	124,220	-
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>18,686</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
WATERLOO OFFICE**

**MATHEMATICS AND SCIENCE PARTNERSHIPS (SCIENCE) - PROJECT #15-4936-SA  
For the year ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 18,232
Expenditures:			
Salaries	40,550	40,550	2,749
Benefits	16,974	16,974	556
Purchased services	37,736	37,736	68
Supplies and materials	43,520	43,520	14,183
Pension expense	-	-	676
Payments to other governments	111,220	111,220	-
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>18,232</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
WATERLOO OFFICE  
June 30, 2015**

	<u>Teacher's Institute Fund</u>	<u>Bus Driver Permit Fund</u>	<u>General Education Development Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 31,030	\$ 3,970	\$ 21,030	\$ 56,030
Due from other governments	<u>-</u>	<u>-</u>	<u>333</u>	<u>333</u>
Total assets	<u>\$ 31,030</u>	<u>\$ 3,970</u>	<u>\$ 21,363</u>	<u>\$ 56,363</u>
<b>LIABILITIES</b>				
	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES</b>				
Restricted	<u>31,030</u>	<u>3,970</u>	<u>21,363</u>	<u>56,363</u>
Total liabilities and fund balances	<u>\$ 31,030</u>	<u>\$ 3,970</u>	<u>\$ 21,363</u>	<u>\$ 56,363</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
WATERLOO OFFICE  
For the year ended June 30, 2015**

	Teacher's Institute Fund	Bus Driver Permit Fund	General Education Development Fund	Total
Revenues:				
Local sources	\$ 22,000	\$ 1,536	\$ 2,230	\$ 25,766
State sources	-	763	-	763
Interest	50	8	41	99
	<u>22,050</u>	<u>2,307</u>	<u>2,271</u>	<u>26,628</u>
Total revenues				
Expenditures:				
Salaries	7,700	-	-	7,700
Benefits	2,069	-	-	2,069
Purchased services	11,589	789	63	12,441
Supplies and materials	2,529	63	-	2,592
Other	-	720	-	720
Pension expense	1,155	-	-	1,155
	<u>25,042</u>	<u>1,572</u>	<u>63</u>	<u>26,677</u>
Total expenditures				
Net change in fund balances	(2,992)	735	2,208	(49)
Fund balances, beginning of year	<u>34,022</u>	<u>3,235</u>	<u>19,155</u>	<u>56,412</u>
Fund balances, end of year	<u>\$ 31,030</u>	<u>\$ 3,970</u>	<u>\$ 21,363</u>	<u>\$ 56,363</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
June 30, 2015**

	<u>Distributive Fund</u>	<u>Area V Trail</u>	<u>State Trail</u>	<u>Connecting Conference</u>	<u>The Maidez Center</u>	<u>School Facility Sales Tax</u>	<u>Total</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 47,522	\$ 16,746	\$ 28,120	\$ 61,763	\$ 244,183	\$ 398,334
Due from other governments	<u>28,129</u>	<u>255</u>	<u>537</u>	<u>-</u>	<u>-</u>	<u>745,476</u>	<u>774,397</u>
Total assets	<u>\$ 28,129</u>	<u>\$ 47,777</u>	<u>\$ 17,283</u>	<u>\$ 28,120</u>	<u>\$ 61,763</u>	<u>\$ 989,659</u>	<u>\$ 1,172,731</u>
<b>LIABILITIES</b>							
Due to other governments	<u>\$ 28,129</u>	<u>\$ 47,777</u>	<u>\$ 17,283</u>	<u>\$ 28,120</u>	<u>\$ 61,763</u>	<u>\$ 989,659</u>	<u>\$ 1,172,731</u>
Total liabilities	<u>\$ 28,129</u>	<u>\$ 47,777</u>	<u>\$ 17,283</u>	<u>\$ 28,120</u>	<u>\$ 61,763</u>	<u>\$ 989,659</u>	<u>\$ 1,172,731</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS**

**For the year ended June 30, 2015**

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
<u>DISTRIBUTIVE FUND</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,901,939	\$ 1,901,939	\$ -
Due from other governments	102,061	28,129	102,061	28,129
Total assets	<u>\$ 102,061</u>	<u>\$ 1,930,068</u>	<u>\$ 2,004,000</u>	<u>\$ 28,129</u>
LIABILITIES				
Due to other governments	\$ 102,061	\$ 1,930,068	\$ 2,004,000	\$ 28,129
Total liabilities	<u>\$ 102,061</u>	<u>\$ 1,930,068</u>	<u>\$ 2,004,000</u>	<u>\$ 28,129</u>
<u>AREA V TRAIL</u>				
ASSETS				
Cash and cash equivalents	\$ 45,604	\$ 8,327	\$ 6,409	\$ 47,522
Due from other governments	1,875	255	1,875	255
Total assets	<u>\$ 47,479</u>	<u>\$ 8,582</u>	<u>\$ 8,284</u>	<u>\$ 47,777</u>
LIABILITIES				
Due to other governments	\$ 47,479	\$ 8,582	\$ 8,284	\$ 47,777
Total liabilities	<u>\$ 47,479</u>	<u>\$ 8,582</u>	<u>\$ 8,284</u>	<u>\$ 47,777</u>
<u>STATE TRAIL</u>				
ASSETS				
Cash and cash equivalents	\$ 20,268	\$ 95,645	\$ 99,167	\$ 16,746
Due from other governments	4,178	537	4,178	537
Total assets	<u>\$ 24,446</u>	<u>\$ 96,182</u>	<u>\$ 103,345</u>	<u>\$ 17,283</u>
LIABILITIES				
Due to other governments	\$ 24,446	\$ 96,182	\$ 103,345	\$ 17,283
Total liabilities	<u>\$ 24,446</u>	<u>\$ 96,182</u>	<u>\$ 103,345</u>	<u>\$ 17,283</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)  
AGENCY FUNDS**

**For the year ended June 30, 2015**

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
<u>CONNECTING CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 28,008	\$ 5,197	\$ 5,085	\$ 28,120
Due from other governments	250	-	250	-
Total assets	<u>\$ 28,258</u>	<u>\$ 5,197</u>	<u>\$ 5,335</u>	<u>\$ 28,120</u>
LIABILITIES				
Due to other governments	\$ 28,258	\$ 5,197	\$ 5,335	\$ 28,120
Total liabilities	<u>\$ 28,258</u>	<u>\$ 5,197</u>	<u>\$ 5,335</u>	<u>\$ 28,120</u>
<u>THE MAIDEZ CENTER</u>				
ASSETS				
Cash and cash equivalents	\$ 6,505	\$ 92,089	\$ 36,831	\$ 61,763
Total assets	<u>\$ 6,505</u>	<u>\$ 92,089</u>	<u>\$ 36,831</u>	<u>\$ 61,763</u>
LIABILITIES				
Due to other governments	\$ 6,505	\$ 92,089	\$ 36,831	\$ 61,763
Total liabilities	<u>\$ 6,505</u>	<u>\$ 92,089</u>	<u>\$ 36,831</u>	<u>\$ 61,763</u>
<u>SCHOOL FACILITY</u>				
<u>SALES TAX</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 2,830,817	\$ 2,586,634	\$ 244,183
Due from other governments	-	745,476	-	745,476
Total assets	<u>\$ -</u>	<u>\$ 3,576,293</u>	<u>\$ 2,586,634</u>	<u>\$ 989,659</u>
LIABILITIES				
Due to other governments	\$ -	\$ 3,576,293	\$ 2,586,634	\$ 989,659
Total liabilities	<u>\$ -</u>	<u>\$ 3,576,293</u>	<u>\$ 2,586,634</u>	<u>\$ 989,659</u>

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Concluded)  
AGENCY FUNDS  
For the year ended June 30, 2015**

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
<u>TOTAL</u>				
ASSETS				
Cash and cash equivalents	\$ 100,385	\$ 4,934,014	\$ 4,636,065	\$ 398,334
Due from other governments	108,364	774,397	108,364	774,397
Total assets	\$ 208,749	\$ 5,708,411	\$ 4,744,429	\$ 1,172,731
LIABILITIES				
Due to other governments	\$ 208,749	\$ 5,708,411	\$ 4,744,429	\$ 1,172,731
Total liabilities	\$ 208,749	\$ 5,708,411	\$ 4,744,429	\$ 1,172,731

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES  
DISTRIBUTIVE FUND  
For the year ended June 30, 2015**

		<u>ROE #45</u>	<u>Career Center of Southern Illinois</u>	<u>Mental Health</u>	<u>Chester NHSD 122</u>	<u>OKAW Regional Voc System-EFE</u>	<u>Total</u>
State Funds							
General State Aid - Sec. 18-8	3001	\$ 95,105	\$ 477,766	\$ -	\$ 117,659	\$ -	\$ 690,530
Funding for Children Requiring Special Education Services	3105	-	-	-	4,161	-	4,161
Special Education - Summer School	3145	-	-	-	557	-	557
Career & Technical Education Improvement (CTEI)	3220	-	-	-	-	427,396	427,396
State Free Lunch & Breakfast	3360	129	432	-	-	-	561
Transportation - Regular and Vocational	3500	-	44,800	-	16,051	-	60,851
Transportation - Special Education	3510	-	-	-	10,630	-	10,630
ROE School Bus Driver Training	3520	763	-	-	-	-	763
Truants Alternative/Optional Education	3695	138,217	-	-	-	-	138,217
Regional Safe Schools	3696	52,230	-	-	-	-	52,230
ROE/ISC Operations	3730	56,684	-	-	-	-	56,684
Other State Programs	3999	-	-	-	2,492	-	2,492
Total State Funds		343,128	522,998	-	151,550	427,396	1,445,072

**MONROE AND RANDOLPH COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 45**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT  
TREASURERS AND OTHER ENTITIES (Concluded)  
DISTRIBUTIVE FUND  
For the year ended June 30, 2015**

		Career Center of Southern Illinois	Mental Health	Chester NHSD 122	OKAW Regional Voc System-EFE	Total
	ROE #45					
Federal Funds						
National School Lunch Program	4210	5,056	22,413	-	-	27,469
School Breakfast Program	4220	3,267	11,580	-	-	14,847
Fed. - Sp. Ed. - Pre-School Flow Through	4600	-	-	35,734	-	35,734
Fed. - Sp. Ed. - IDEA - Flow Through	4620	-	-	76,781	-	76,781
CTE - Perkins - DHS Education	4740	-	-	191,765	-	191,765
CTE - Perkins - Secondary	4745	-	-	-	106,182	106,182
Title II - Teacher Quality	4932	-	2,153	-	-	2,153
Title II - Teacher Quality - Leadership	4935	1,936	-	-	-	1,936
Total Federal Funds		<u>10,259</u>	<u>36,146</u>	<u>304,280</u>	<u>-</u>	<u>456,867</u>
Total Distributions		<u>\$ 353,387</u>	<u>\$ 559,144</u>	<u>\$ 304,280</u>	<u>\$ 151,550</u>	<u>\$ 1,901,939</u>