

**State of Illinois**  
**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**FINANCIAL AUDIT**  
**For the Year Ended June 30, 2013**

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46**

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**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46**

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**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46**

**OFFICIALS**

Regional Superintendent  
(During the Audit Period and Current) Honorable Jeff Stephens

Assistant Regional Superintendent  
(During the Audit Period July 1, 2012 to November 15, 2012)  
(After the Audit Period from July 1, 2013 to November 15, 2013) Mr. Stephen Breese

Assistant Regional Superintendent  
(During the Audit Period February 16, 2013 to June 30, 2013)  
(After the Audit Period from February 16, 2014 to Current) Mr. Merle Kenady

Assistant Regional Superintendent  
(During the Audit Period from December 16, 2012 to February 15, 2013)  
(After the Audit Period from November 16, 2013 to February 15, 2014) Ms. Jessica Crawford

Office is located at:

110 North West Street  
Jacksonville, Illinois 62650

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46**

**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	0	1
Repeated audit findings	0	1
Prior recommendations implemented or not repeated	1	1

**SUMMARY OF FINDINGS AND RESPONSES**

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

None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

12-1	13	Controls Over Financial Statement Preparation	Significant Deficiency
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**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46**

**FINANCIAL REPORT SUMMARY (CONTINUED)**

**EXIT CONFERENCE**

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2013. Throughout the audit, numerous meetings were held between auditors and Regional Office officials to discuss matters contained in this audit report.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed an unmodified opinion on the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's basic financial statements.

## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

### **Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund Schedule of Funding Progress on page 43 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and

budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2014 on our consideration of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46'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 Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's internal control over financial reporting and compliance.

**Winkel, Parker & Foster, CPA PC**

Clinton, Iowa  
May 5, 2014

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with 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, each major fund, and the aggregate remaining fund information of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's basic financial statements, and have issued our report thereon dated May 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46'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 Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's internal control. Accordingly, we do not express an opinion on the effectiveness of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's internal control.

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46'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 Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

## **Winkel, Parker & Foster, CPA PC**

Clinton, Iowa  
May 5, 2014

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2013**

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

**Financial Statements**

Type of auditors' report issued: \_\_\_\_\_ Unmodified \_\_\_\_\_

Internal control over financial reporting:

- Material weakness(es) identified?                    \_\_\_\_\_ yes          x   no
- Significant deficiency(ies) identified?            \_\_\_\_\_ yes          x   none reported

Noncompliance material to  
financial statements noted?                            \_\_\_\_\_ yes          x   no

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2013**

**Section II: Financial Statement Findings:**

**INSTANCES OF NONCOMPLIANCE:**

None

**MATERIAL WEAKNESSES:**

None

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2013**

**Section III: Federal Award Findings:**

Not Applicable

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2013**

<b><u>Finding No.</u></b>	<b><u>Condition</u></b>	<b><u>Current Status</u></b>
12-1	Controls Over Financial Statement Preparation	Resolved

## **BASIC FINANCIAL STATEMENTS**

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**STATEMENT OF NET POSITION**  
**June 30, 2013**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 111,346
Accounts receivable	990
Due from other governments	79,249
Total current assets	<u>191,585</u>
Non-current assets:	
Capital assets, being depreciated, net	<u>12,835</u>
Total assets	<u>204,420</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	23,884
Accrued liabilities	70,044
Due to other governments	9,453
Deferred revenue	35,312
Total current liabilities	<u>138,693</u>
Non-current liabilities:	
Compensated absences	<u>3,249</u>
Total liabilities	<u>141,942</u>
<b>NET POSITION</b>	
Net investment in capital assets	12,835
Unrestricted	9,983
Restricted for educational purposes	39,660
Total net position	<u>\$ 62,478</u>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2013**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Primary government:				
Governmental activities:				
Education:				
Salaries	\$ 913,693	\$ 9,222	\$ 343,209	\$ (561,262)
Benefits	211,953	3,458	41,855	(166,640)
Purchased services	123,219	4,842	20,927	(97,450)
Supplies and materials	48,755	4,380	12,557	(31,818)
Miscellaneous	11,274	231	-	(11,043)
Payments to other governments	864	922	-	58
Depreciation	7,834	-	-	(7,834)
Administrative:				
On-behalf payments	409,667	-	-	(409,667)
Total primary government	<u>\$ 1,727,259</u>	<u>\$ 23,055</u>	<u>\$ 418,548</u>	<u>(1,285,656)</u>
General revenues:				
Local sources				225,877
State sources				393,875
On-behalf payments				409,667
Total general revenue				<u>1,029,419</u>
<b>CHANGE IN NET POSITION</b>				<b>(256,237)</b>
<b>NET POSITION, BEGINNING OF YEAR</b>				<u>318,715</u>
<b>NET POSITION, END OF YEAR</b>				<u>\$ 62,478</u>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2013

	<u>General Fund</u>	<u>Education Fund</u>	<u>Alternative Schools Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 57,174	\$ 13,974	\$ -	\$ 40,198	\$ 111,346
Accounts receivable	446	-	-	544	990
Due from other governments	2,000	77,249	-	-	79,249
Due from other funds	<u>167,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,277</u>
<b>TOTAL ASSETS</b>	<u>\$ 226,897</u>	<u>\$ 91,223</u>	<u>\$ -</u>	<u>\$ 40,742</u>	<u>\$ 358,862</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 15,980	\$ 7,600	\$ -	\$ 304	\$ 23,884
Accrued liabilities	51,194	18,850	-	-	70,044
Due to other governments	9,353	-	-	100	9,453
Due to other funds	105,652	61,625	-	-	167,277
Deferred revenue	<u>31,486</u>	<u>4,135</u>	<u>-</u>	<u>-</u>	<u>35,621</u>
Total liabilities	<u>213,665</u>	<u>92,210</u>	<u>-</u>	<u>404</u>	<u>306,279</u>
<b>FUND BALANCE (DEFICIT)</b>					
Restricted	-	-	-	40,338	40,338
Assigned	943	-	-	-	943
Unassigned	<u>12,289</u>	<u>(987)</u>	<u>-</u>	<u>-</u>	<u>11,302</u>
Total fund balance (deficit)	<u>13,232</u>	<u>(987)</u>	<u>-</u>	<u>40,338</u>	<u>52,583</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 226,897</u>	<u>\$ 91,223</u>	<u>\$ -</u>	<u>\$ 40,742</u>	<u>\$ 358,862</u>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2013**

<b>Total fund balance of governmental funds (page 17)</b>	\$	52,583
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		12,835
Compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		(3,249)
Some revenues will not be collected for several months after the Regional Office's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.		<u>309</u>
<b>Net position of governmental activities (page 15)</b>	<b>\$</b>	<b><u>62,478</u></b>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2013**

	<u>General</u> <u>Fund</u>	<u>Education</u> <u>Fund</u>	<u>Alternative</u> <u>Schools</u> <u>Fund</u>	<u>Other</u> <u>Nonmajor</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>REVENUES:</b>					
Local sources	\$ 230,073	\$ 34	\$ 11	\$ 23,055	\$ 253,173
State sources	393,875	351,618	719	632	746,844
Federal sources	-	79,961	29,653	-	109,614
On-behalf payments	409,667	-	-	-	409,667
Total revenues	<u>1,033,615</u>	<u>431,613</u>	<u>30,383</u>	<u>23,687</u>	<u>1,519,298</u>
<b>EXPENDITURES:</b>					
Current:					
Education:					
Salaries	570,838	335,252	-	7,603	913,693
Benefits	168,864	40,868	-	2,967	212,699
Purchased services	97,943	21,299	-	3,977	123,219
Supplies and materials	34,357	10,848	-	3,550	48,755
Miscellaneous	11,108	-	-	166	11,274
Payments to other governments	-	-	-	864	864
On-behalf payments	409,667	-	-	-	409,667
Capital outlay	1,600	-	-	-	1,600
Total expenditures	<u>1,294,377</u>	<u>408,267</u>	<u>-</u>	<u>19,127</u>	<u>1,721,771</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(260,762)	23,346	30,383	4,560	(202,473)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	44,623	28,800	-	-	73,423
Transfers out	(33,155)	(9,885)	(30,383)	-	(73,423)
Total other financing sources (uses)	<u>11,468</u>	<u>18,915</u>	<u>(30,383)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	(249,294)	42,261	-	4,560	(202,473)
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>262,526</u>	<u>(43,248)</u>	<u>-</u>	<u>35,778</u>	<u>255,056</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 13,232</u>	<u>\$ (987)</u>	<u>\$ -</u>	<u>\$ 40,338</u>	<u>\$ 52,583</u>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2013**

**Net change in fund balance (page 19)** \$ (202,473)

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	\$	1,600	
Depreciation expense		<u>(7,834)</u>	(6,234)

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

Fiscal year 2012 deferred revenue recognized in fiscal year 2013		(48,585)	
Fiscal year 2013 deferred revenue		<u>309</u>	(48,276)

Some 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.

Decrease in compensated absences		<u>746</u>	
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**Change in net position of governmental activities (page 16)** **\$ (256,237)**

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2013**

	<b>Agency Fund</b>
<b>ASSETS</b>	
Cash	\$ 60,287
Due from other governments	126,095
<b>TOTAL ASSETS</b>	<b>\$ 186,382</b>
<b>LIABILITIES</b>	
Due to other governments	<b>\$ 186,382</b>

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

**Reporting Entity**

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 is an entity that is a result of two Educational Service Regions becoming a Regional Office of Education as of August 7, 1995. The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education No. 46 encompasses the Brown, Cass, Morgan and Scott Counties, Illinois. A Regional Superintendent of Schools serves as Chief Administrative Officer of the Regional Office of Education No. 46 and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general State aid, State categorical grants, and various other sources.

The functions of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 include, but are not limited to the following:

- processing teachers' certificates;
- teaching initial and refresher classes for school bus drivers within the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46;
- reviewing life/safety requirements for schools in conjunction with the State of Illinois;
- issuing newsletters regarding new Illinois life/safety requirements; and
- monitoring compliance with State laws and Department of Education policies and procedures.

The Regional Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to: providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring of the safety, health, and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses.

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has no distributive fund since the State of Illinois maintains responsibility for the function of distributing State and federal aid to individual school districts.

The financial statements of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The following is a summary of the significant accounting policies:

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

For financial reporting purposes, the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has included all funds, organizations, agencies, boards, commissions and authorities. The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 are such that exclusion would cause the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has no component units that meet the Governmental Accounting Standards Board criteria and is not a component unit of any other entity.

**Basis of Presentation**

**Government-wide Financial Statements** - The Statement of Net Position and the Statement of Activities report information on all of the activities of Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Position presents Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories: Net investment in capital assets, Restricted net position, and Unrestricted net position.

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 clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of the expendable financial resources and the related current liabilities are accounted for through governmental funds.

General Fund - the General Fund is the operating fund of the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The following funds comprise the General Fund:

County Support - to account for local revenues and disbursements related to County support.

Spelling Bee Fund - to account for local area business donations that provide funding related to operating spelling bee events.

Media Center - to account for library and video materials available to all the districts in the Region.

Identix Fingerprinting Fund - to account for a fee assessed to Districts and the expenses associated with providing background check/fingerprinting services.

Star Online - agreement between Western Illinois University and Regional Office of Education No. 46 to help area teachers sign up and receive online professional development at a reduced rate.

ROE School Improvement Fund - to account for costs associated with improving school programs and policies for the districts within the Region.

Dental Sealant Fund - to account for the costs associated with providing the dental sealant program to Morgan and Scott County schools.

Registration Fees Fund - to account for local revenues and disbursements related to the alternative school programs.

Paid Lunches Fund - to account for local revenues and disbursements related to school lunches.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Truants Alternative/Optional Education - State Aid Fund - to account for General State Aid revenues and disbursements associated with the Truants Alternative/Optional Education Program (TAOEP).

Alternative Resource Center (ARC) - State Aid Fund - to account for General State Aid revenues and disbursements associated with the ARC Safe Schools Program.

Job Bank Fund - to account for a fee assessed to districts and the expenses associated with posting job openings on the State website.

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

Education Fund - to account and report for 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:

Truants Alternative/Optional Education Fund - to account for a grant that provides truancy guidance and alternative education options for applicable students within the Region.

Regional Safe Schools Fund - to account for a grant that provides additional staff and materials for the alternative schools in the Region.

Title I - School Improvement and Accountability - RESPRO - to account for a grant that provides training for various school improvement approaches within the Region.

McKinney Education for Homeless Children Fund - to account for a grant that provides assistance for homeless children within school districts.

Title II - Teacher Quality - RESPRO - to account for a grant to provide Title II coaches to assist Title II Schools with professional development.

Title II - Teacher Quality Fund - to account for a grant to provide professional development opportunities for teachers and administrators.

ROE/ISC Operations - to account for a grant that provides operating funds for the Region.

Illinois School for the Deaf - contracted arrangement with Illinois School for the Deaf (ISD) and Illinois Department of Human Services to provide payroll services for contracted ISD substitute teachers.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

Illinois School for the Visually Impaired - contracted arrangement with Illinois School for the Visually Impaired (ISVI) and Illinois Department of Human Services to provide payroll services for contracted ISVI substitute teachers.

Reorganization Incentive - Feasibility Study - to account for funding received for a feasibility study for possible district consolidations.

Title II - Teacher Quality Leadership Fund - to account for a grant to provide professional development opportunities for teachers and administrators.

Alternative Schools Fund - to account for the activities and programs of the alternative schools within the Region. The following funds comprise the Alternative Schools Fund:

State Lunch Fund - to account for state revenues and disbursements related to school lunches.

National School Lunch Fund - to account for federal revenues and disbursements related to school lunches.

School Breakfast Fund - to account for federal funds to help offer breakfast programs to the two alternative schools.

Nonmajor Special Revenue Funds - the following special revenue funds are non-major governmental funds:

Institute Fund - to account for activities associated with the recertification process for teachers, and expenses of meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

Bus Driver Fund - to account for the testing and training of bus drivers for the districts within the Region.

General Education Development Fund - to account for administration of General Education Development testing for applicants within the Region.

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

School Facility Occupation Tax - 1 percent sales tax collected in Cass County for school facility maintenance and improvements to be distributed to the following districts: A-C Central, Beardstown, Meredosia-Chambersburg, PORTA, Triopia, and Virginia.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**Measurement Focus and Basis of Accounting**

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

Governmental fund and fiduciary financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements, but are recognized as current revenues in the government-wide financial statements.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Capital asset acquisitions are reported as expenditures in governmental funds.

There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46.

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

Under the terms of grant agreements, Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. It is the Regional Office of Education No. 46's policy to first apply restricted funds, then unrestricted. For unrestricted fund balance, committed funds are used first, then assigned funds, then unassigned if any.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the Regional Office receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted, matching requirements, in which the Regional Office must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the Regional Office on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

**Assets, Liabilities and Fund Equity**

The following accounting policies are followed in preparing the balance sheet:

Cash and cash equivalents - Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 considers all investments in certificates of deposit with maturities within one year to be cash equivalents.

Due from other governments - Due from other governments represents amounts due from the Illinois State Board of Education and other local governments.

Capital assets - Capital assets, which include furniture and equipment, are reported in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 as assets with an initial, individual cost in excess of \$500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 5-10 years.

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Deferred revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents 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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unexpended grant proceeds.

Compensated absences - Regular full-time employees who work 12 calendar months earn up to 20 vacation days for a full year of service. Employees who work less than 12 calendar months per year do not earn vacation days. Employees receive up to 10 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

Management 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. Actual results could differ from those estimates.

**Governmental Fund Balance**

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

*Nonspendable Fund Balance* - the portion of a Governmental Fund's net position that is not available to be spent, either short term or long term, in either form or through legal restrictions. There are no accounts presenting a nonspendable fund balance.

*Restricted Fund Balance* - the portion of a Governmental Fund's net position that is subject to external enforceable legal restrictions. The following fund balances are restricted by Illinois Statute: Institute Fund, Bus Driver Fund, and General Education Development Fund.

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

*Assigned Fund Balance* - the portion of a Governmental Fund's net position 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 Media Center has an assigned fund balance.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Unassigned Fund Balance* - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following fund balances are considered unassigned: County Support, Spelling Bee Fund, Indentix Fingerprinting Fund, Star Online, ROE School Improvement Fund, Dental Sealant Fund, Registration Fees Fund, Truants Alternative/Optional Education - State Aid Fund, Alternative Resource Center (ARC) - State Aid Fund, Job Bank Fund, Title II - Teacher Quality - RESPRO, Title II - Teacher Quality Fund, Illinois School for the Deaf, and Illinois School for the Visually Impaired.

**Net Position**

Net position present the difference between assets and liabilities in the Statement of Net Position. Net position of the Regional Office of Education are classified as follows:

*Net investment in Capital Assets* - represents the Regional Office of Education's total investment in capital assets.

*Restricted Net Position* - represents net position that is restricted due to constraints placed on its use that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* - represents resources used for transactions relating to the general operations of the Regional Office of Education and may be used at the discretion of management to meet expenses for any purpose.

**Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

**Budgets and Budgetary Accounting**

The budgetary comparison and related disclosures are reported as supplementary information.

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 did not formally adopt a budget for the year ended June 30, 2013 and is not legally required to do so; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, the Illinois State Board of Education requires budgets for certain State and Federal programs. These budgets were used to prepare budgetary comparison schedules for the following programs: Truants Alternative/Optional Education Fund, Regional Safe Schools Fund, McKinney Education for Homeless Children Fund, Title II - Teacher Quality Fund, ROE/ISC Operations Fund and Title II - Teacher Quality Leadership Fund.

**Subsequent Events**

Management has evaluated subsequent events through May 5, 2014, the date the financial statements were available to be issued.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The deposit and investment of monies is governed by the provisions of the Illinois Compiled Statutes (30 ILCS-235/2 and 6 and 105 ILCS-5/8-7). At June 30, 2013, the carrying amount of deposits and investments was \$171,633 and the bank balance was \$206,177. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2013.

**Deposits**

Custodial credit risk - Custodial credit risk is the risk that in the event of a bank failure, Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's deposits may not be returned. Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 does not have a deposit policy for custodial credit risk. The bank balances as of June 30, 2013 were fully secured by federal depository insurance or securities pledged by the Regional Office of Education No. 46's financial institution on behalf of the Regional Office.

**Investments**

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2013, Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 had investments with carrying and fair values of \$28,037 invested in the Illinois Funds Money Market Fund.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
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**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

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

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

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

A reconciliation of cash as shown on the Statement of Net Position for the primary government is as follows:

	<u>Carrying Amount</u>
Cash and cash equivalents - governmental funds	\$ 111,346
Cash - agency	<u>60,287</u>
<b>Total</b>	<b><u>\$ 171,633</u></b>

**NOTE 3 - ON-BEHALF PAYMENTS**

Salaries of the Regional Superintendent and his assistant are paid by the State of Illinois. All other salaries are paid by Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. Pension plan contributions associated with these salaries are also paid respectively, by the State of Illinois and Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46.

A breakdown of the on-behalf payments are as follows:

Regional Superintendent - salary	\$ 103,032
Regional Superintendent - benefits (includes state paid insurance)	24,322
Assistant Regional Superintendent - salary	92,736
Assistant Regional Superintendent - benefits (includes state paid insurance)	1,345
TRS on-behalf payments	183,998
THIS on-behalf payments	<u>4,234</u>
<b>Total on-behalf payments</b>	<b><u>\$ 409,667</u></b>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
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**NOTE 3 - ON-BEHALF PAYMENTS (CONTINUED)**

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

**NOTE 4 - EMPLOYEE BENEFIT PLANS**

Teachers' Retirement System of the State of Illinois

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

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

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

The state of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education No. 46's TRS-covered employees.

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 46. For the year ended June 30, 2013, state of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the Regional Office of Education No. 46 recognized revenue and expenditures of \$183,998 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent (\$161,857) and 23.10 percent (\$170,019), respectively.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
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**NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 makes other types of employer contributions directly to TRS:

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2013 were \$2,669. Contributions for the years ending June 30, 2012 and June 30, 2011, were \$2,752 and \$3,353, respectively.
- **Federal and Special Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 46, there is a statutory requirement for the Regional Office of Education No. 46 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling \$12,514 were paid from federal and special trust funds that required employer contributions of \$3,510. For the years ended June 30, 2012 and June 30, 2011, required employer contributions were \$7,578 and \$9,707, respectively.

- **Early Retirement Option.** The Regional Office of Education No. 46 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member. The maximum employer ERO contribution under the current program is 117.5 percent and applies when the member is age 55 at retirement. For the years ended June 30, 2013, June 30, 2012 and June 30, 2011, the Regional Office of Education No. 46 paid no employer contributions under the ERO program.
- **Salary increases over 6 percent and excess sick leave.** If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases up to 6 percent.

For the years ended June 30, 2013, June 30, 2012, and June 30, 2011, the Regional Office of Education No. 46 did not make any contributions to TRS for salary increases in excess of 6 percent.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
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**NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

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

For the years ended June 30, 2013, June 30, 2012, and June 30, 2011, the Regional Office of Education No. 46 did not make any employer contributions to TRS for sick leave days granted in excess of the normal annual allotment.

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

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

Illinois Municipal Retirement Fund

*Plan Description.* The Regional Office of Education No. 46'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. 46's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, the Regional Office of Education No. 46's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 16.89 percent. The Regional Office of Education No. 46 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution for calendar year 2012 was \$57,533.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 4 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

**THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN**

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/12	\$ 57,533	100%	\$ -
12/31/11	45,999	100%	-
12/31/10	48,887	65%	17,291

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education No. 46's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education No. 46's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 10 year basis.

*Funded Status and Funding Progress.* As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 67.81 percent funded. The actuarial accrued liability for benefits was \$877,006 and the actuarial value of assets was \$594,730, resulting in an underfunded actuarial accrued liability (UAAL) of \$282,276. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$340,636 and the ratio of the UAAL to the covered payroll was 83 percent.

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS**

Illinois Municipal Retirement Fund

The Regional Office has evaluated its potential other post employment benefits liability. Former employees who choose to retain their rights to health insurance through the Regional Office are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Regional Office's health insurance plan. Therefore, there has been zero percent utilization and therefore no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Regional Office had no former employees for which it was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Regional Office has not recorded any post employment benefit liability as of June 30, 2013.

Teachers Health Insurance Security Fund

The Regional Office of Education No. 46 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by 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 THIS Fund.

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

- **On-behalf Contributions to THIS Fund.** The state of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 46. State contributions are intended to match contributions to THIS Fund from active members which were 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were \$4,234, and the Regional Office of Education No. 46 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the year ended June 30, 2012, and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of Regional Office of Education No. 46's employees were \$4,176 and \$5,087, respectively.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

- **Employer Contributions to THIS Fund.** The Regional Office of Education No. 46 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.69 percent during the year ended June 30, 2013 and 0.66 percent during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the Regional Office of Education No. 46 paid \$3,175 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the Regional Office of Education No. 46 paid \$3,132 and \$3,815 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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

**NOTE 6 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2013 is as follows:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Governmental activities:				
Furniture and equipment	\$ 100,512	\$ 1,600	\$ (6,665)	\$ 95,447
Less accumulated depreciation	(81,443)	(7,834)	6,665	(82,612)
Total capital assets, net	<u>\$ 19,069</u>	<u>\$ (6,234)</u>	<u>\$ -</u>	<u>\$ 12,835</u>

Depreciation expense was charged as follows:

Governmental activities:

    Education:

        Depreciation \$ 7,834

**NOTE 7 - OPERATING LEASES**

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 has not entered into any capital lease agreements as lessee for financing. The Regional Office of Education No. 46 entered into a lease agreement for the Regional Office of Education No. 46's Jacksonville Office requiring an annual payment of \$6,000. This agreement is renewable annually. The Regional Office of Education No. 46 entered into a lease agreement for the Lafayette Center/Alternative Resource Center (ARC) in Jacksonville requiring quarterly payments of \$5,000. The agreement commenced on February 1, 2011 and ended on June 30, 2013. Rent expense for these leases for fiscal year 2013 was \$26,000.

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 8 - DUE FROM/TO OTHER GOVERNMENTS**

The Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46's General, Special Revenue, and Agency Funds have funds due to and due from various other governmental units which consist of the following:

Due from other governments	
General fund	
Local governments	\$ 2,000
Education fund	
Illinois State Board of Education	20,951
Local governments	56,298
Agency fund	
Local governments	<u>126,095</u>
Total due from other governments	<u>\$ 205,344</u>

Due to other governments	
General fund	
Local governments	\$ 9,353
Other nonmajor funds	
Local governments	100
Agency fund	
Local governments	<u>186,382</u>
Total due to other governments	<u>\$ 195,835</u>

**NOTE 9 - DUE FROM/TO OTHER FUNDS**

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, at June 30, 2013 were:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund		
County Support	\$ 166,745	\$ -
Truants Alternative/Optional Education - State Aid Fund	532	21,432
Alternative Resource Center (ARC) - State Aid Fund	-	84,146
Job Bank Fund	-	74
Education Fund		
Title I - School Improvement and Accountability - RESPRO	-	11,130
McKinney Education for Homeless Children Fund	-	6,375
Title II - Teacher Quality Fund	-	532
ROE/ISC Operations	-	2,096
Illinois School for the Deaf	-	15,782
Illinois School for the Visually Impaired	-	21,931
Title II - Teacher Quality Leadership Fund	-	<u>3,779</u>
Total	<u>\$ 167,277</u>	<u>\$ 167,277</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**NOTE 10 - COMPENSATED ABSENCES**

Under terms of employment, employees are granted vacation days in varying amounts up to 20 days. Vacation days earned during a benefit year are allowed to be used during the benefit year plus a 60 day carryover period. Upon termination of an employee eligible to use vacation days, all accumulated days will be paid as of the date of termination. Only benefits considered to be vested are disclosed in these statements.

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2013</u>
Compensated absences	\$ 3,995	\$ 11,362	\$ 12,108	\$ 3,249

**NOTE 11 - TRANSFERS**

Transfers are generally made to provide supplemental funding or move resources from the fund required to collect the resources to the fund required to expend the resources. The following is the detail of interfund transfers as of June 30, 2013:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
County Support	\$ 9,886	\$ 7,730
Media Center	529	-
Paid Lunches Fund	-	3,825
Truants Alternative/Optional Education - State Aid Fund	34,208	21,600
Education Fund		
Truants Alternative/Optional Education Fund	1,933	-
Regional Safe Schools Fund	19,666	-
Title I - School Improvement and Accountability - RESPRO	-	108
McKinney Education for Homeless Children	435	1,277
ROE/ISC Operations	6,766	-
Illinois School for the Deaf	-	4,557
Illinois School for the Visually Impaired	-	3,943
Alternative Schools Fund		
State Lunch Fund	-	719
National School Lunch Fund	-	21,358
School Breakfast Fund	-	8,306
Total	<u>\$ 73,423</u>	<u>\$ 73,423</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**NOTE 12 - DEFICIT FUND BALANCES**

The following funds had deficit fund balances at June 30, 2013:

General Fund:

Truants Alternative/Optional Education - State Aid Fund	\$ (68,739)
Alternative Resource Center (ARC) - State Aid Fund	(104,794)
Job Bank Fund	(74)

Education Fund:

Title II - Teacher Quality - RESPRO	(190)
Title II - Teacher Quality Fund	(319)
Illinois School for the Deaf	(136)
Illinois School for the Visually Impaired	(342)

Above deficit fund balances are expected to be reversed in the next fiscal year through payments from the State, receipts from local sources and interest income.

**NOTE 13 - RISK MANAGEMENT**

Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

**NOTE 14 - NEW PRONOUNCEMENTS**

In 2013, the Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46 implemented Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*; and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Regional Office of Education No. 46 implemented these standards during the current year; however, GASB Statement No. 60 and 61 had no impact on the financial statements. The implementation of GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

**NOTE 15- SUBSEQUENT EVENT**

On November 22, 2013 the Illinois State Board of Education adopted a motion pursuant to its obligation under 105 ILCS 5/3A-4(a), which recognizes consolidations agreed to via county board resolutions prior to June 30, 2013. Effective July 1, 2015, Brown, Cass, Morgan and Scott Counties will be included in the Regional Office of Education No. 01.

This information is an integral part of the accompanying financial statements.

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

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 SCHEDULE OF FUNDING PROGRESS -  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 (Unaudited)  
 June 30, 2013**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/12	\$ 594,730	\$ 877,006	\$ 282,276	67.81%	\$ 340,636	82.87%
12/31/11	619,263	873,336	254,073	70.91%	351,403	72.30%
12/31/10	598,189	864,131	265,942	69.22%	368,679	72.13%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$621,771. On a market basis, the funded ratio would be 70.90%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Brown, Cass, Morgan and Scott Counties Regional Office of Education No. 46. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**SUPPLEMENTARY INFORMATION**

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2013**

**SCHEDULE 1**

	<u>County Support</u>	<u>Spelling Bee Fund</u>	<u>Media Center</u>	<u>Identix Fingerprinting Fund</u>	<u>Star Online</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 20,407	\$ 2,626	\$ 943	\$ 2,601	\$ 175
Accounts receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	166,745	-	-	-	-
	<u>166,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ 187,152</b>	<b>\$ 2,626</b>	<b>\$ 943</b>	<b>\$ 2,601</b>	<b>\$ 175</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 3,925	\$ -	\$ -	\$ 92	\$ -
Accrued liabilities	3,513	-	-	-	-
Due to other governments	400	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	31,486	-	-	-	-
Total liabilities	<u>39,324</u>	<u>-</u>	<u>-</u>	<u>92</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)</b>					
Assigned	-	-	943	-	-
Unassigned	147,828	2,626	-	2,509	175
Total fund balance (deficit)	<u>147,828</u>	<u>2,626</u>	<u>943</u>	<u>2,509</u>	<u>175</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 187,152</b>	<b>\$ 2,626</b>	<b>\$ 943</b>	<b>\$ 2,601</b>	<b>\$ 175</b>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**GENERAL FUND**  
**June 30, 2013**

**SCHEDULE 1**  
**(CONTINUED)**

	<b>ROE School Improvement Fund</b>	<b>Dental Sealant Fund</b>	<b>Registration Fees Fund</b>	<b>Paid Lunches Fund</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,843	\$ 14,207	\$ 12,372	\$ -
Accounts receivable	-	386	-	-
Due from other governments	-	-	2,000	-
Due from other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 3,843</b>	<b>\$ 14,593</b>	<b>\$ 14,372</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 50	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<hr/>	<hr/>	<hr/>	<hr/>
	-	50	-	-
<b>FUND BALANCE (DEFICIT)</b>				
Assigned	-	-	-	-
Unassigned	3,843	14,543	14,372	-
Total fund balance (deficit)	<hr/>	<hr/>	<hr/>	<hr/>
	3,843	14,543	14,372	-
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 3,843</b>	<b>\$ 14,593</b>	<b>\$ 14,372</b>	<b>\$ -</b>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2013**

**SCHEDULE 1  
(CONTINUED)**

	<b>Truants Alternative/ Optional Education - State Aid Fund</b>	<b>Alternative Resource Center (ARC) - State Aid Fund</b>	<b>Job Bank Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 57,174
Accounts receivable	60	-	-	446
Due from other governments	-	-	-	2,000
Due from other funds	532	-	-	167,277
	<u>532</u>	<u>-</u>	<u>-</u>	<u>167,277</u>
<b>TOTAL ASSETS</b>	<b>\$ 592</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 226,897</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 9,978	\$ 1,935	\$ -	\$ 15,980
Accrued liabilities	33,749	13,932	-	51,194
Due to other governments	4,172	4,781	-	9,353
Due to other funds	21,432	84,146	74	105,652
Deferred revenue	-	-	-	31,486
Total liabilities	<u>69,331</u>	<u>104,794</u>	<u>74</u>	<u>213,665</u>
<b>FUND BALANCE (DEFICIT)</b>				
Assigned	-	-	-	943
Unassigned	<u>(68,739)</u>	<u>(104,794)</u>	<u>(74)</u>	<u>12,289</u>
Total fund balance (deficit)	<u>(68,739)</u>	<u>(104,794)</u>	<u>(74)</u>	<u>13,232</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 592</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 226,897</b>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (DEFICITS)  
GENERAL FUND ACCOUNTS  
Year Ended June 30, 2013**

**SCHEDULE 2**

	<u>County</u> <u>Support</u>	<u>Spelling Bee</u> <u>Fund</u>	<u>Media</u> <u>Center</u>	<u>Identix</u> <u>Fingerprinting</u> <u>Fund</u>	<u>Star</u> <u>Online</u>
<b>REVENUES:</b>					
Local sources	\$ 195,880	\$ 1,603	\$ 12,986	\$ 4,278	\$ 160
State sources	-	-	-	-	-
On-behalf payments	<u>409,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>605,547</u>	<u>1,603</u>	<u>12,986</u>	<u>4,278</u>	<u>160</u>
<b>EXPENDITURES:</b>					
Current:					
Education:					
Salaries	100,201	-	-	-	-
Benefits	32,436	-	-	-	-
Purchased services	14,655	488	2,500	3,396	-
Supplies and materials	3,455	535	12,322	-	-
Miscellaneous	4,961	-	-	-	-
On-behalf payments	409,667	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>565,375</u>	<u>1,023</u>	<u>14,822</u>	<u>3,396</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	40,172	580	(1,836)	882	160
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	9,886	-	529	-	-
Transfers out	<u>(7,730)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>2,156</u>	<u>-</u>	<u>529</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	42,328	580	(1,307)	882	160
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>105,500</u>	<u>2,046</u>	<u>2,250</u>	<u>1,627</u>	<u>15</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 147,828</u>	<u>\$ 2,626</u>	<u>\$ 943</u>	<u>\$ 2,509</u>	<u>\$ 175</u>

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (DEFICITS)  
 GENERAL FUND ACCOUNTS  
 Year Ended June 30, 2013

SCHEDULE 2  
 (CONTINUED)

	<u>ROE School Improvement Fund</u>	<u>Dental Sealant Fund</u>	<u>Registration Fees Fund</u>	<u>Paid Lunches Fund</u>
<b>REVENUES:</b>				
Local sources	\$ 1,396	\$ 17	\$ 7,611	\$ 3,825
State sources	-	2,494	-	-
On-behalf payments	-	-	-	-
Total revenues	1,396	2,511	7,611	3,825
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries	-	-	-	-
Benefits	-	-	-	-
Purchased services	1,005	627	-	-
Supplies and materials	20	430	1,817	-
Miscellaneous	-	-	-	-
On-behalf payments	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,025	1,057	1,817	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	371	1,454	5,794	3,825
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(3,825)
Total other financing sources (uses)	-	-	-	(3,825)
<b>NET CHANGE IN FUND BALANCE</b>	371	1,454	5,794	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	3,472	13,089	8,578	-
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	\$ 3,843	\$ 14,543	\$ 14,372	\$ -

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (DEFICITS)  
GENERAL FUND ACCOUNTS  
Year Ended June 30, 2013**

**SCHEDULE 2  
(CONTINUED)**

	<b>Truants Alternative/ Optional Education - State Aid Fund</b>	<b>Alternative Resource Center (ARC) - State Aid Fund</b>	<b>Job Bank Fund</b>	<b>Total</b>
<b>REVENUES:</b>				
Local sources	\$ 562	\$ 479	\$ 1,276	\$ 230,073
State sources	256,610	134,771	-	393,875
On-behalf payments	-	-	-	409,667
Total revenues	257,172	135,250	1,276	1,033,615
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries	306,721	163,916	-	570,838
Benefits	90,078	46,350	-	168,864
Purchased services	53,347	20,575	1,350	97,943
Supplies and materials	5,640	10,138	-	34,357
Miscellaneous	3,095	3,052	-	11,108
On-behalf payments	-	-	-	409,667
Capital outlay	-	1,600	-	1,600
Total expenditures	458,881	245,631	1,350	1,294,377
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(201,709)	(110,381)	(74)	(260,762)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	34,208	-	-	44,623
Transfers out	(21,600)	-	-	(33,155)
Total other financing sources (uses)	12,608	-	-	11,468
<b>NET CHANGE IN FUND BALANCE</b>	(189,101)	(110,381)	(74)	(249,294)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	120,362	5,587	-	262,526
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	\$ (68,739)	\$ (104,794)	\$ (74)	\$ 13,232

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2013**

	<b>Truants Alternative/ Optional Education <u>Fund</u></b>	<b>Regional Safe Schools <u>Fund</u></b>	<b>Title I - School Improvement and Accountability - <u>RESPRO</u></b>	<b>McKinney Education for Homeless Children <u>Fund</u></b>	<b>Title II - Teacher Quality - <u>RESPRO</u></b>	<b>Title II - Teacher Quality <u>Fund</u></b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 927	\$ 3,379	\$ -	\$ -	\$ 3,636	\$ 532
Due from other governments	<u>9,882</u>	<u>5,194</u>	<u>11,874</u>	<u>6,571</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 10,809</u></b>	<b><u>\$ 8,573</u></b>	<b><u>\$ 11,874</u></b>	<b><u>\$ 6,571</u></b>	<b><u>\$ 3,636</u></b>	<b><u>\$ 532</u></b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 1,626	\$ -	\$ -	\$ 155	\$ -	\$ 319
Accrued liabilities	9,183	8,573	744	41	-	-
Due to other funds	-	-	11,130	6,375	-	532
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,826</u>	<u>-</u>
Total liabilities	10,809	8,573	11,874	6,571	3,826	851
<b>FUND BALANCE (DEFICIT)</b>						
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190)</u>	<u>(319)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b><u>\$ 10,809</u></b>	<b><u>\$ 8,573</u></b>	<b><u>\$ 11,874</u></b>	<b><u>\$ 6,571</u></b>	<b><u>\$ 3,636</u></b>	<b><u>\$ 532</u></b>

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND ACCOUNTS  
June 30, 2013

	<u>ROE/ISC Operations</u>	<u>Illinois School for the Deaf</u>	<u>Illinois School for the Visually Impaired</u>	<u>Reorganization Incentive - Feasibility Study</u>	<u>Title II - Teacher Quality Leadership Fund</u>	<u>Totals</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 5,500	\$ -	\$ 13,974
Due from other governments	<u>2,096</u>	<u>15,918</u>	<u>21,935</u>	<u>-</u>	<u>3,779</u>	<u>77,249</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,096</u>	<u>\$ 15,918</u>	<u>\$ 21,935</u>	<u>\$ 5,500</u>	<u>\$ 3,779</u>	<u>\$ 91,223</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 5,500	\$ -	\$ 7,600
Accrued liabilities	-	136	173	-	-	18,850
Due to other funds	2,096	15,782	21,931	-	3,779	61,625
Deferred revenue	-	<u>136</u>	<u>173</u>	<u>-</u>	<u>-</u>	<u>4,135</u>
Total liabilities	<u>2,096</u>	<u>16,054</u>	<u>22,277</u>	<u>5,500</u>	<u>3,779</u>	<u>92,210</u>
<b>FUND BALANCE (DEFICIT)</b>						
Unassigned	<u>-</u>	<u>(136)</u>	<u>(342)</u>	<u>-</u>	<u>-</u>	<u>(987)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 2,096</u>	<u>\$ 15,918</u>	<u>\$ 21,935</u>	<u>\$ 5,500</u>	<u>\$ 3,779</u>	<u>\$ 91,223</u>

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (DEFICITS)  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2013

SCHEDULE 4

	Truants Alternative/ Optional Education Fund	Regional Safe Schools Fund	Title I - School Improvement and Accountability - RESPRO	McKinney Education for Homeless Children Fund	Title II - Teacher Quality - RESPRO	Title II - Teacher Quality Fund
<b>REVENUES:</b>						
Local sources	\$ 11	\$ 2	\$ 6	\$ -	\$ 5	\$ -
State sources	88,898	51,939	-	-	-	-
Federal sources	-	-	46,243	27,397	-	2,542
Total revenues	88,909	51,941	46,249	27,397	5	2,542
<b>EXPENDITURES:</b>						
Current:						
Education:						
Salaries	65,557	62,591	24,217	16,364	-	-
Benefits	13,388	7,414	3,845	7,583	-	-
Purchased services	4,487	1,602	519	891	195	608
Supplies and materials	7,410	-	-	1,717	-	1,721
Total expenditures	90,842	71,607	28,581	26,555	195	2,329
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,933)	(19,666)	17,668	842	(190)	213
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	1,933	19,666	-	435	-	-
Transfers out	-	-	(108)	(1,277)	-	-
Total other financing sources (uses)	1,933	19,666	(108)	(842)	-	-
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	-	17,560	-	(190)	213
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	-	-	(17,560)	-	-	(532)
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -	\$ (190)	\$ (319)

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (DEFICITS)  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2013

SCHEDULE 4  
 (CONTINUED)

	ROE/ISC Operations	Illinois School for the Deaf	Illinois School for the Visually Impaired	Reorganization Incentive - Feasibility Study	Title II - Teacher Quality Leadership Fund	Totals
<b>REVENUES:</b>						
Local sources	\$ -	\$ 6	\$ 4	\$ -	\$ -	\$ 34
State sources	25,229	90,261	89,791	5,500	-	351,618
Federal sources	-	-	-	-	3,779	79,961
Total revenues	<u>25,229</u>	<u>90,267</u>	<u>89,795</u>	<u>5,500</u>	<u>3,779</u>	<u>431,613</u>
<b>EXPENDITURES:</b>						
Current:						
Education:						
Salaries	26,066	76,801	63,477	-	179	335,252
Benefits	5,697	1,789	1,152	-	-	40,868
Purchased services	232	1,830	1,835	5,500	3,600	21,299
Supplies and materials	-	-	-	-	-	10,848
Total expenditures	<u>31,995</u>	<u>80,420</u>	<u>66,464</u>	<u>5,500</u>	<u>3,779</u>	<u>408,267</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(6,766)</u>	<u>9,847</u>	<u>23,331</u>	<u>-</u>	<u>-</u>	<u>23,346</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	6,766	-	-	-	-	28,800
Transfers out	-	(4,557)	(3,943)	-	-	(9,885)
Total other financing sources (uses)	<u>6,766</u>	<u>(4,557)</u>	<u>(3,943)</u>	<u>-</u>	<u>-</u>	<u>18,915</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	-	5,290	19,388	-	-	42,261
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>-</u>	<u>(5,426)</u>	<u>(19,730)</u>	<u>-</u>	<u>-</u>	<u>(43,248)</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ (136)</u>	<u>\$ (342)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (987)</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
Year Ended June 30, 2013**

	<u>Truants Alternative/Optional Educaiton Fund</u>				<u>Regional Safe Schools Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ 11	\$ 11	\$ -	\$ -	\$ 2	\$ 2
State sources	88,898	88,898	88,898	-	51,939	51,939	51,939	-
Federal sources	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>88,898</u>	<u>88,898</u>	<u>88,909</u>	<u>11</u>	<u>51,939</u>	<u>51,939</u>	<u>51,941</u>	<u>2</u>
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	65,733	65,733	65,557	176	42,746	42,746	62,591	(19,845)
Benefits	13,278	13,278	13,388	(110)	8,933	8,933	7,414	1,519
Purchased services	2,477	2,477	4,487	(2,010)	260	260	1,602	(1,342)
Supplies and materials	7,410	7,410	7,410	-	-	-	-	-
<b>Total expenditures</b>	<u>88,898</u>	<u>88,898</u>	<u>90,842</u>	<u>(1,944)</u>	<u>51,939</u>	<u>51,939</u>	<u>71,607</u>	<u>(19,668)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,933)</u>	<u>\$ (1,933)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(19,666)</u>	<u>\$ (19,666)</u>
<b>OTHER FINANCING SOURCES:</b>								
Transfers in			1,933				19,666	
Transfers out			-				-	
<b>Total other financing sources (uses)</b>			<u>1,933</u>				<u>19,666</u>	
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			-				-	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			-				-	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<u>\$ -</u>				<u>\$ -</u>	

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
Year Ended June 30, 2013

	McKinney Education for Homeless Children Fund				Title II - Teacher Quality Fund			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	26,897	27,397	27,397	-	1,254	2,429	2,542	113
Total revenues	26,897	27,397	27,397	-	1,254	2,429	2,542	113
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	16,800	17,050	16,364	686	-	-	-	-
Benefits	6,933	6,933	7,583	(650)	-	-	-	-
Purchased services	2,458	2,241	891	1,350	1,034	669	608	61
Supplies and materials	706	1,173	1,717	(544)	220	1,760	1,721	39
Total expenditures	26,897	27,397	26,555	842	1,254	2,429	2,329	100
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	\$ -	842	\$ 842	\$ -	\$ -	213	\$ 213
<b>OTHER FINANCING SOURCES:</b>								
Transfers in			435				-	
Transfers out			(1,277)				-	
Total other financing sources (uses)			(842)				-	
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			-				213	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			-				(532)	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			\$ -				\$ (319)	

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
Year Ended June 30, 2013

	ROE/ISC Operations				Title II - Teacher Quality Leadership Fund			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	25,229	25,229	25,229	-	-	-	-	-
Federal sources	-	-	-	-	3,779	3,779	3,779	-
Total revenues	<u>25,229</u>	<u>25,229</u>	<u>25,229</u>	<u>-</u>	<u>3,779</u>	<u>3,779</u>	<u>3,779</u>	<u>-</u>
<b>EXPENDITURES:</b>								
Current:								
Education:								
Salaries	20,000	20,000	26,066	(6,066)	179	179	179	-
Benefits	5,097	5,097	5,697	(600)	-	-	-	-
Purchased services	132	132	232	(100)	3,600	3,600	3,600	-
Supplies and materials	-	-	-	-	-	-	-	-
Total expenditures	<u>25,229</u>	<u>25,229</u>	<u>31,995</u>	<u>(6,766)</u>	<u>3,779</u>	<u>3,779</u>	<u>3,779</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(6,766)</u>	<u>\$ (6,766)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>OTHER FINANCING SOURCES:</b>								
Transfers in			6,766				-	
Transfers out			-				-	
Total other financing sources (uses)			<u>6,766</u>				<u>-</u>	
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			-				-	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			-				-	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<u>\$ -</u>				<u>\$ -</u>	

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**ALTERNATIVE SCHOOLS FUND ACCOUNTS**  
 June 30, 2013

**SCHEDULE 6**

	<u>State Lunch Fund</u>	<u>National School Lunch Fund</u>	<u>School Breakfast Fund</u>	<u>Totals</u>
<b>ASSETS</b>				
None	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
None	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCE</b>				
None	-	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>				
	\$ -	\$ -	\$ -	\$ -

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 ALTERNATIVE SCHOOLS FUND  
 Year Ended June 30, 2013

SCHEDULE 7

	<u>State Lunch Fund</u>	<u>National School Lunch Fund</u>	<u>School Breakfast Fund</u>	<u>Totals</u>
<b>REVENUES:</b>				
Local sources	\$ -	\$ 8	\$ 3	\$ 11
State sources	719	-	-	719
Federal sources	-	21,350	8,303	29,653
Total revenues	719	21,358	8,306	30,383
<b>EXPENDITURES:</b>				
None	-	-	-	-
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	719	21,358	8,306	30,383
<b>OTHER FINANCING USES:</b>				
Transfers out	(719)	(21,358)	(8,306)	(30,383)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -

**BROWN, CASS, MORGAN AND SCOTT COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 46**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**June 30, 2013**

	<u>Institute Fund</u>	<u>Bus Driver Fund</u>	<u>General Education Development Fund</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 33,080	\$ 1,687	\$ 5,431	\$ 40,198
Accounts receivable	<u>96</u>	<u>208</u>	<u>240</u>	<u>544</u>
<b>TOTAL ASSETS</b>	<u>\$ 33,176</u>	<u>\$ 1,895</u>	<u>\$ 5,671</u>	<u>\$ 40,742</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 10	\$ -	\$ 294	\$ 304
Due to other governments	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total liabilities	<u>110</u>	<u>-</u>	<u>294</u>	<u>404</u>
<b>FUND BALANCE</b>				
Restricted	<u>33,066</u>	<u>1,895</u>	<u>5,377</u>	<u>40,338</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 33,176</u>	<u>\$ 1,895</u>	<u>\$ 5,671</u>	<u>\$ 40,742</u>

**BROWN, CASS, MORGAN AND SCOTT COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 46  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 Year Ended June 30, 2013**

	<u>Institute Fund</u>	<u>Bus Driver Fund</u>	<u>General Education Development Fund</u>	<u>Totals</u>
<b>REVENUES:</b>				
Local sources	\$ 12,924	\$ 1,942	\$ 8,189	\$ 23,055
State sources	-	632	-	632
Total revenues	<u>12,924</u>	<u>2,574</u>	<u>8,189</u>	<u>23,687</u>
<b>EXPENDITURES:</b>				
Current:				
Education:				
Salaries	6,853	-	750	7,603
Benefits	2,910	-	57	2,967
Purchased services	163	2,138	1,676	3,977
Supplies and materials	28	-	3,522	3,550
Miscellaneous	165	-	1	166
Payments to other governments	-	-	864	864
Total operating expenses	<u>10,119</u>	<u>2,138</u>	<u>6,870</u>	<u>19,127</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,805	436	1,319	4,560
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>30,261</u>	<u>1,459</u>	<u>4,058</u>	<u>35,778</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 33,066</u>	<u>\$ 1,895</u>	<u>\$ 5,377</u>	<u>\$ 40,338</u>

BROWN, CASS, MORGAN AND SCOTT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 46  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
Year Ended June 30, 2013

	<u>Balance,</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2013</u>
<b><u>SCHOOL FACILITY OCCUPATION TAX</u></b>				
<b>ASSETS</b>				
Cash	\$ 239	\$ 747,596	\$ 687,548	\$ 60,287
Due from other governments	<u>129,857</u>	<u>743,864</u>	<u>747,626</u>	<u>126,095</u>
<b>TOTAL ASSETS</b>	<u>\$ 130,096</u>	<u>\$ 1,491,460</u>	<u>\$ 1,435,174</u>	<u>\$ 186,382</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 130,096</u>	<u>\$ 743,864</u>	<u>\$ 687,578</u>	<u>\$ 186,382</u>