

**State of Illinois  
ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
FINANCIAL AUDIT  
(In Accordance with the Single Audit Act and  
OMB Circular A-133)  
For the Year Ended June 30, 2013**

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

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 REGIONAL OFFICE OF EDUCATION No. 50  
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ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50

OFFICIALS

Regional Superintendent  
( Current and During the Audit Period )

Mrs. Susan Sarfaty

Assistant Regional Superintendent  
( Current and During the Audit Period,  
Acting Effective August 1, 2012 )

Ms. Tracy Gray

Assistant Regional Superintendent  
( During the Audit Period,  
Acting Effective July 1 through July 31, 2012 )

No Assistant  
Regional Superintendent

Office is located at:

1000 South Illinois Street  
Belleville, IL 62220

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
		FINDINGS (GOVERNMENT AUDITING STANDARDS)	
None			
		FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)	
None			
		PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)	
None			
		PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)	
None			

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50

COMPLIANCE REPORT SUMMARY (Concluded)

INFORMAL EXIT CONFERENCE

An informal exit conference was held on September 18, 2013. Attending were Susan Sarfaty, Regional Superintendent, Annabelle Gillespie, Comptroller, and Michelle D. Smith, CPA, Partner, Kemper CPA Group LLP. There were no findings to discuss.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Regional Office of Education No. 50 was performed by Kemper CPA Group LLP.

Based on their audit, the auditors expressed an unmodified opinion on the Regional Office of Education No. 50's basic financial statements.

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

**Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the St. Clair County Regional Office of Education No. 50, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the St. Clair County Regional Office of Education No. 50's basic financial statements as listed in the table of contents.

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

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

**Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the St. Clair County Regional Office of Education No. 50, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

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

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Clair County Regional Office of Education No. 50's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2014 on our consideration of the St. Clair County Regional Office of Education No. 50'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 St. Clair County Regional Office of Education No. 50's internal control over financial reporting and compliance.

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Evansville, Indiana  
January 21, 2014

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of St. Clair County Regional Office of Education No. 50, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise St. Clair County Regional Office of Education No. 50's basic financial statements, and have issued our report thereon dated January 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Clair County Regional Office of Education No. 50'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 St. Clair County Regional Office of Education No. 50's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Clair County Regional Office of Education No. 50'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 St. Clair County Regional Office of Education No. 50'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 St. Clair County Regional Office of Education No. 50'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 St. Clair County Regional Office of Education No. 50's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Evansville, Indiana  
January 21, 2014

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

Honorable William G. Holland  
Auditor General  
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited the St. Clair County Regional Office of Education No. 50's compliance with the types of compliance requirements described in the *OMB-Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the St. Clair County Regional Office of Education No. 50's major federal programs for the year ended June 30, 2013. The St. Clair County Regional Office of Education No. 50's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the St. Clair County Regional Office of Education No. 50's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the St. Clair County Regional Office of Education No. 50's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the St. Clair County Regional Office of Education No. 50's compliance.

Opinion on Each Major Federal Program

In our opinion, the St. Clair County Regional Office of Education No. 50 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

Management of the St. Clair County Regional Office of Education No. 50 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the St. Clair County Regional Office of Education No. 50's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the St. Clair County Regional Office of Education No. 50's internal control over compliance.

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

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

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

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*  
Evansville, Indiana  
January 21, 2014

ST. CLAIR COUNTY  
 REGIONAL OFFICE OF EDUCATION No. 50  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2013

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported
- Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

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

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

Identification of **major** programs:

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.010	Title I, Part A – Grants to Local Educational Agencies ( Title I School Improvement and Accountability )
84.173A	Improving Special Education Preschool Grants – Federal Special Education Preschool Discretionary

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

Auditee qualified as a low-risk auditee? Yes

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013

**SECTION II – FINANCIAL STATEMENT FINDINGS**

NONE

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013

**SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:**

**INSTANCES OF NONCOMPLIANCE:**

NONE

**SIGNIFICANT DEFICIENCIES:**

NONE

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013

**Corrective Action Plan**

NONE

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013

The discussion and analysis of St. Clair County Regional Office of Education #50's (ROE) financial performance provides an overall narrative review of the ROE's financial activities for the year ended June 30, 2013. The intent of this discussion and analysis is to look at the ROE's performance as a whole. Readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the ROE's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in the financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the ROE's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

This section is a summary of the ROE's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year.

### **2013 FINANCIAL HIGHLIGHTS**

- Total net position of the ROE's governmental activities are \$1,103,567, a decrease of \$308,452 or 21.8% from fiscal year 2012 net position. This decrease was due to a reduction of state funding for Safe School, which necessitated spending State Aid reserves to operate the program. Net position of the ROE's enterprise fund are \$184,251 a decrease of \$72,946 or 28.4% from fiscal year 2012 net position. This decrease was a result of technology and staff development needs outstripping available revenue. Total net position for the ROE is \$1,287,818, a decrease of \$381,398 or 22.8% from fiscal year 2012.
- General governmental revenues account for \$1,391,058 in revenue, or 25.3% of all governmental revenues. Program specific revenues in the form of grants and contributions accounted for \$4,116,817 or 74.7% of total governmental revenues.
- The ROE governmental activities had \$5,816,327 in expenses; only \$4,116,817 of these expenses were offset by program specific grants and contributions. The ROE had adequate unrestricted net position to provide for the rest of the ROE's expenses.
- Among major funds, the General Fund had \$1,178,104 in revenues and \$1,466,880 in expenditures. The General Fund's fund balance decreased \$287,319 or 28.6% over the prior year. This decrease was due to both the reduction of Safe School funding and the proration of General State Aid.
- Capital assets purchased during the year totaled \$6,584. In the governmental funds, capital assets net of depreciation decreased by \$49,272. Including the Enterprise Fund, capital assets for the ROE decreased \$53,832. This decrease was primarily due to depreciation.
- The ROE has no long-term debt.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the ROE's basic financial statements. The ROE's basic financial statements comprise of three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the ROE's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

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

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

The government-wide financial statements outline functions of the ROE that are principally supported by grants, contracts and contributions, and governmental activities. The governmental activities of the ROE include instructional services and administrative expenses. The government-wide financial statements can be found on pages 17– 18 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The ROE uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the ROE can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the ROE's current financing requirements. Governmental Funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash. The Governmental Fund statements provide a detailed short-term view of the ROE's operations.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the ROE's current financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 20 and 22, respectively.

The ROE maintains individual governmental funds in accordance with both the Regional Office of Education Accounting Manual and the Accounting Manual for Public School Districts issued by the Illinois State Board of Education. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All non-major funds are combined together and presented in these reports as other non-major funds.

The basic governmental fund financial statements can be found on pages 19 and 21, respectively.

**Proprietary funds.**

The purpose of the Enterprise Fund is to hold any excess funds collected from Workshops and/or Technology Services. These funds are used solely to offset Workshop and Technology Services incurred due to less than anticipated registrations or more than anticipated materials and services. The ROE's proprietary statements can be found on pages 23 – 25.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 – 48 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the ROE's budget process.

The ROE does not adopt a combined annual operating budget for all funds, but does adopt individual budgets for some grants in the General Fund and Education Fund. A budgetary comparison schedule has been provided for those grants in the General Fund and Education Fund. This supplementary information can be found on pages 54 and 59 – 68 of this report.

Additionally, a Schedule of Expenditures of Federal Awards is required by OMB Circular A-133 and can be found on pages 71-72 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net position.** Net position may serve over time as a useful indicator of government's financial position. In the case of the ROE, assets exceeded liabilities by \$1,287,818 as of June 30, 2013.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013

By far the largest portion of the ROE's net position (69.7%) is unrestricted. However, 22.5% of net position is related to the Institute Fund, GED fund, and Bus Driver fund and restricted for teacher professional development, GED testing and Bus Driver training. Investment in capital assets (e.g. equipment and furniture) represents 7.8% of the ROE's net position.

The ROE's financial position is a product of several financial transactions including the net result of activities, the acquisition and disposal of capital assets and the depreciation of capital assets. The following table presents a summary of the ROE's net position for the fiscal year ended June 30, 2013 compared to prior year.

Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Current Assets	\$ 1,666,785	\$ 1,534,492	\$ 250,068	\$ 184,669	\$ 1,916,853	\$ 1,719,161
Capital Assets	144,090	94,818	10,268	5,708	154,358	100,526
<b>Total Assets</b>	<u>1,810,875</u>	<u>1,629,310</u>	<u>260,336</u>	<u>190,377</u>	<u>2,071,211</u>	<u>1,819,687</u>
Current Liabilities	398,856	525,743	3,139	6,126	401,995	531,869
<b>Total Liabilities</b>	<u>398,856</u>	<u>525,743</u>	<u>3,139</u>	<u>6,126</u>	<u>401,995</u>	<u>531,869</u>
Net Position						
Invested in capital assets	144,090	94,818	10,268	5,708	154,358	100,526
Restricted for educational purposes	261,946	290,085	-	-	261,946	290,085
Unrestricted	<u>1,005,983</u>	<u>718,664</u>	<u>246,929</u>	<u>178,543</u>	<u>1,252,912</u>	<u>897,207</u>
<b>Total Net Position</b>	<u>\$ 1,412,019</u>	<u>\$ 1,103,567</u>	<u>\$ 257,197</u>	<u>\$ 184,251</u>	<u>\$ 1,669,216</u>	<u>\$ 1,287,818</u>

**Changes in net position.** The ROE's total revenues for the fiscal year ended June 30, 2013 were \$5,560,015. The total cost of all programs and services was \$5,941,413. The following table presents a summary of the changes in net position for the fiscal year ended June 30, 2012 and 2013.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013

ROE #50 Change in Net Position  
Years Ended June 30, 2012 and 2013

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>		<u>% Change</u>
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012-2013</u>
Revenues:							
Program revenues:							
Operating Grants/							
Contributions	\$ 3,726,036	\$ 4,116,817	\$ -		\$ 3,726,036	\$ 4,116,817	10.49%
Charges for Services	-	-	67,930	51,847	67,930	51,847	-23.68%
General Revenues:						-	
Local Sources	441,400	380,750	-	-	441,400	380,750	-13.74%
State Sources	289,182	268,294	-	-	289,182	268,294	-7.22%
Federal Sources	21,152	23,195	-	-	21,152	23,195	9.66%
On-Behalf payments							
Local	307,417	303,373	-	-	307,417	303,373	-1.32%
State	310,440	413,650	-	-	310,440	413,650	33.25%
Loss on disposal							
of capital assets	(1,244)	-	-	-	(1,244)	-	100.00%
Interest	4,069	1,796	696	293	4,765	2,089	-56.16%
Total Revenues	<u>5,098,452</u>	<u>5,507,875</u>	<u>68,626</u>	<u>52,140</u>	<u>5,167,078</u>	<u>5,560,015</u>	<u>7.60%</u>
Expenses:							
Instructional Services	4,714,900	5,099,304	-	-	4,714,900	5,099,304	8.15%
On-Behalf Payments	617,857	717,023	-	-	617,857	717,023	16.05%
Workshop/							
Testing Expenses	-	-	125,883	125,086	125,883	125,086	-0.63%
Total Expenses	<u>5,332,757</u>	<u>5,816,327</u>	<u>125,883</u>	<u>125,086</u>	<u>5,458,640</u>	<u>5,941,413</u>	<u>8.84%</u>
Increase (Decrease)							
in Net Position	(234,305)	(308,452)	(57,257)	(72,946)	(291,562)	(381,398)	-30.81%
Net Position – Beginning	<u>1,646,324</u>	<u>1,412,019</u>	<u>314,454</u>	<u>257,197</u>	<u>1,960,778</u>	<u>1,669,216</u>	<u>-14.87%</u>
Net Position – Ending	<u>1,412,019</u>	<u>1,103,567</u>	<u>257,197</u>	<u>184,251</u>	<u>1,669,216</u>	<u>1,287,818</u>	<u>-22.85%</u>

ST. CLAIR COUNTY  
 REGIONAL OFFICE OF EDUCATION No. 50  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2013

**Governmental activities.** The following table presents the cost of two major ROE functional activities: instructional services and administrative expenses. Administrative expenses include guidance and social work services, operation & maintenance, pupil transportation, food service, planning and evaluation, and fiscal services. The table also shows each function's net cost (total cost less charges for services generated by the activities and grants provided for specific programs). The net cost shows the amount funded by the General Revenues. Both revenues and expenses increased from the prior year. However, expenses increased more than revenue due to reduced state funding for the Safe School Program.

	<u>Total</u> <u>Expenses</u>	<u>Net (Expense)</u> <u>Revenue</u>
Instructional Services	\$ 5,099,304	\$ (982,487)
Administrative Expenses	<u>717,023</u>	<u>(717,023)</u>
<b>Total expenses</b>	<b><u>\$ 5,816,327</u></b>	<b><u>\$ (1,699,510)</u></b>

**Enterprise activities.** The following table presents the cost of the ROE's workshop fund. The majority of related expenses are salaries and benefits, contract labor and travel, and supplies and materials for the workshop seminars. The table also shows the fund's net cost (total cost less charges for services generated by the activities). The net expense is up, because charges for services were down from 2012 while expenses were almost level. This was due to fewer workshops offered for a fee in 2013 while basic services and their expenses continued.

	<u>Total</u> <u>Expenses</u>	<u>Net (Expense)</u> <u>Revenue</u>
Workshop/Testing Costs	\$ 125,086	\$ (73,239)

**FINANCIAL ANALYSIS OF THE ROE'S FUNDS**

As noted earlier, the ROE uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the ROE's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the ROE's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the ROE's net resources available for spending at the end of the fiscal year.

The financial performance of the ROE as a whole is reflected in its governmental funds. As the ROE completed the year, its governmental funds reported a combined fund balance of \$1,008,749, which is a decrease of \$256,147 over the previous year. This decrease was largely due to the reduced state funding for the Safe School, which necessitated the use of state aid reserves to keep the school functioning.

The General Fund is the principal operating fund of the ROE. The fund balance in the General Fund for the fiscal year decreased by \$287,319. This decrease was due to the use of \$278,993 of State Aid reserves to offset state cuts in Safe School. The fund balance of Other Governmental Funds showed an increase of \$31,172 which was mainly due to excess revenue over expense in the Institute Fund of

ST. CLAIR COUNTY  
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FOR THE YEAR ENDED JUNE 30, 2013

\$10,940 and the GED fund of \$12,628, as fees for both GED and Certificate Registration exceeded necessary expenses.

**Enterprise Funds.** The net position in the Enterprise Fund as of June 30, 2013 was \$184,251, a decrease of \$72,946. The decrease was due to a management decision to offer more workshops and technology services free of charge since schools have reduced discretionary funds for staff development. The remaining funds provide a good reserve to insure that the ROE can continue to offer high quality workshops for teachers and administrators and solid technology assistance to schools.

### **BUDGETARY HIGHLIGHTS**

Over the course of the year, the ROE revised the budgets for most grant programs in the Education Fund. These budget adjustments were the result of revisions in the plan to accomplish specific goals and activities outlined in the grant programs.

A schedule showing the original and final budget amounts compared to the ROE's actual financial activity for the Education Fund grants is provided in this report as supplementary information.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** As of June 30, 2013, the ROE's total capital assets at cost for Governmental Activities and Business-type Activities were \$659,031 and \$42,179 respectively, including furniture and equipment. This amount represents a decrease of \$6,864 for the Governmental Activities and no change for the Business-type Activities from the previous year. Additions and deletions during fiscal year 2013 totaled \$6,584 and \$13,448 respectively for Governmental Activities. There were no additions or deletions for the Business type Activities capital assets.

Total accumulated depreciation as of June 30, 2013 for Governmental Activities and Business-type Activities was \$564,213 and \$36,471 respectively, and total depreciation expense for Governmental Activities and Business-type Activities for the fiscal year 2013 was \$55,856 and \$4,560 respectively, and prior depreciation on assets deleted in fiscal year 2013 was \$13,448 for Governmental Activities and none for Business-type Activities, resulting in total Investment in Capital Assets at June 30, 2013 for Governmental Activities and Business Type Activities of \$94,818 and \$5,708. This is a decrease of \$49,272 and \$4,560 for Governmental Activities and Business-type Activities, respectively compared to June 30, 2012.

Additional information on the ROE's capital assets can be found in Note 7 on pages 45 - 46 of this report.

**Debt Administration.** At June 30, 2013, the ROE had no long term debt.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013

**Current Issues**

The St. Clair County ROE is financially stable. The ROE has committed itself to financial excellence for many years. In addition, the ROE's system of financial planning, budgeting and internal financial controls is well regarded.

The ROE plans to continue its sound fiscal management to meet the challenges of the future and insure that taxpayer dollars are spent properly and in accordance with its mission to provide quality services to students, teachers, administrators, parents and community members.

The unreserved fund balance of the ROE has been sufficient to handle the economic downturn of the past few years. State funding for core grant programs has decreased significantly. The Safe School program and ROE School Services grant have each been cut 65% from Fiscal Year 2009 to Fiscal Year 2014. In addition, General State Aid has been prorated further reducing funds available for the Safe School Program. The ROE will be able to maintain most services for the near term, but is studying additional sources of funding to continue some programs in the future.

The System of Support grant, which serves schools and districts on the academic watch list in sixteen counties, will continue to be a major focus of our efforts. Both the number of schools and the complexity of the problem continue to increase. However, current funding is expected to be adequate in FY 2014.

The ROE expects to meet these challenges effectively.

**CONTACTING THE ROE'S FINANCIAL MANAGEMENT**

If you have questions about this report, contact the Comptroller's Office of the St. Clair County Regional Office of Education, 1000 South Illinois Street, Belleville, IL 62220 or by phone (618) 825-3935.

## **BASIC FINANCIAL STATEMENTS**

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 1,129,884	\$ 144,166	\$ 1,274,050
Accounts receivable	1,033	510	1,543
Due from (to) other funds	(38,428)	38,428	-
Due from other governments:			
Local	3,278	1,565	4,843
State	3,691	-	3,691
Federal	435,034	-	435,034
Total Current Assets	<u>1,534,492</u>	<u>184,669</u>	<u>1,719,161</u>
Noncurrent Assets:			
Capital assets, net of depreciation	94,818	5,708	100,526
Total Noncurrent Assets	<u>94,818</u>	<u>5,708</u>	<u>100,526</u>
<b>TOTAL ASSETS</b>	<u>1,629,310</u>	<u>190,377</u>	<u>1,819,687</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	280,843	844	281,687
Salary and benefits payable	174,062	5,282	179,344
Due to other governments:			
Local	70,838	-	70,838
Total Current Liabilities	<u>525,743</u>	<u>6,126</u>	<u>531,869</u>
<b>TOTAL LIABILITIES</b>	<u>525,743</u>	<u>6,126</u>	<u>531,869</u>
<b>NET POSITION</b>			
Invested in capital assets	94,818	5,708	100,526
Restricted for educational purposes	290,085	-	290,085
Unrestricted	718,664	178,543	897,207
<b>TOTAL NET POSITION</b>	<u>\$ 1,103,567</u>	<u>\$ 184,251</u>	<u>\$ 1,287,818</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government			
				Governmental Activities	Business-Type Activities	Total	
Primary Government:							
Governmental Activities:							
Instructional services:							
Salaries and benefits	\$ 3,135,918	\$ -	\$ 2,462,647	\$ (673,271)	\$ -	\$ (673,271)	
Purchased services	1,403,133	-	1,217,116	(186,017)	-	(186,017)	
Supplies and materials	453,423	-	420,045	(33,378)	-	(33,378)	
Other objects	40,549	-	-	(40,549)	-	(40,549)	
Depreciation	55,856	-	-	(55,856)	-	(55,856)	
Capital outlay	-	-	6,584	6,584	-	6,584	
Payments to other governments	10,425	-	10,425	-	-	-	
Administrative:							
On-behalf payments - State	413,650	-	-	(413,650)	-	(413,650)	
On-behalf payments - Local	303,373	-	-	(303,373)	-	(303,373)	
Total Governmental Activities	<u>5,816,327</u>	<u>-</u>	<u>4,116,817</u>	<u>(1,699,510)</u>	<u>-</u>	<u>(1,699,510)</u>	
Business-Type Activities:							
Registration/Testing fee	<u>125,086</u>	<u>51,847</u>	<u>-</u>	<u>-</u>	<u>(73,239)</u>	<u>(73,239)</u>	
Total Business-Type Activities	<u>125,086</u>	<u>51,847</u>	<u>-</u>	<u>-</u>	<u>(73,239)</u>	<u>(73,239)</u>	
TOTAL PRIMARY GOVERNMENT	<u>\$ 5,941,413</u>	<u>\$ 51,847</u>	<u>\$ 4,116,817</u>	<u>(1,699,510)</u>	<u>(73,239)</u>	<u>(1,772,749)</u>	
GENERAL REVENUES:							
				380,750	-	380,750	
				303,373	-	303,373	
				268,294	-	268,294	
				23,195	-	23,195	
				413,650	-	413,650	
				1,796	293	2,089	
				<u>1,391,058</u>	<u>293</u>	<u>1,391,351</u>	
				CHANGE IN NET POSITION	(308,452)	(72,946)	(381,398)
				NET POSITION - BEGINNING	<u>1,412,019</u>	<u>257,197</u>	<u>1,669,216</u>
				NET POSITION - ENDING	<u>\$ 1,103,567</u>	<u>\$ 184,251</u>	<u>\$ 1,287,818</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 766,703	\$ 70,973	\$ 292,208	\$ -	\$ 1,129,884
Accounts receivable	-	-	1,033	-	1,033
Due from other funds	29,952	-	-	(29,952)	-
Due from other governments:					
Local	606	2,672	-	-	3,278
State	83	3,608	-	-	3,691
Federal	-	435,034	-	-	435,034
<b>TOTAL ASSETS</b>	<b>\$ 797,344</b>	<b>\$ 512,287</b>	<b>\$ 293,241</b>	<b>\$ (29,952)</b>	<b>\$ 1,572,920</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 18,206	\$ 261,844	\$ 793	\$ -	\$ 280,843
Salary and benefits payable	60,272	112,248	1,542	-	174,062
Due to other funds	49	68,234	97	(29,952)	38,428
Due to other governments:					
Local	153	69,961	724	-	70,838
<b>TOTAL LIABILITIES</b>	<b>78,680</b>	<b>512,287</b>	<b>3,156</b>	<b>(29,952)</b>	<b>564,171</b>
<b>FUND BALANCES (DEFICIT)</b>					
Restricted	-	-	290,085	-	290,085
Assigned	718,664	-	-	-	718,664
<b>Total Fund Balance (Deficit)</b>	<b>718,664</b>	<b>-</b>	<b>290,085</b>	<b>-</b>	<b>1,008,749</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 797,344</b>	<b>\$ 512,287</b>	<b>\$ 293,241</b>	<b>\$ (29,952)</b>	<b>\$ 1,572,920</b>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 1,008,749

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

Capital assets used in governmental activities that were not  
financial resources and therefore, were not reported in the funds. 94,818

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,103,567

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
<b>REVENUES</b>					
Local sources	\$ 34,836	\$ 209,076	\$ 136,838	\$ -	\$ 380,750
Local sources-payments made on behalf of region	303,373	-	-	-	303,373
State sources	403,050	85,543	1,873	-	490,466
State sources - on-behalf payments	413,650	-	-	-	413,650
Federal sources	23,195	3,897,678	-	-	3,920,873
Total Revenues	<u>1,178,104</u>	<u>4,192,297</u>	<u>138,711</u>	<u>-</u>	<u>5,509,112</u>
<b>EXPENDITURES</b>					
Instructional services:					
Salaries and benefits	589,153	2,506,936	39,829	-	3,135,918
Purchased services	139,932	1,244,931	18,270	-	1,403,133
Supplies and materials	20,772	420,388	12,263	-	453,423
Other objects	-	-	40,549	-	40,549
Payments to other governments	-	10,425	-	-	10,425
On-behalf payments	717,023	-	-	-	717,023
Capital outlay	-	6,584	-	-	6,584
Total Expenditures	<u>1,466,880</u>	<u>4,189,264</u>	<u>110,911</u>	<u>-</u>	<u>5,767,055</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	<u>(288,776)</u>	<u>3,033</u>	<u>27,800</u>	<u>-</u>	<u>(257,943)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	106	-	-	(106)	-
Transfers out	-	(106)	-	106	-
Interest	1,351	106	339	-	1,796
Total Other Financing Sources (Uses)	<u>1,457</u>	<u>-</u>	<u>339</u>	<u>-</u>	<u>1,796</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(287,319)</u>	<u>3,033</u>	<u>28,139</u>	<u>-</u>	<u>(256,147)</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>1,005,983</u>	<u>(3,033)</u>	<u>261,946</u>	<u>-</u>	<u>1,264,896</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 718,664</u>	<u>\$ -</u>	<u>\$ 290,085</u>	<u>\$ -</u>	<u>\$ 1,008,749</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

NET CHANGE IN FUND BALANCE — GOVERNMENTAL FUNDS \$ (256,147)

Amounts reported for governmental activities in the Statement of Activities  
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	\$ 6,584	
Depreciation expense	(55,856)	(49,272)

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

Prior year deferred revenue		
Federal sources	\$ (3,033)	(3,033)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (308,452)

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2013

	Business-Type Activities - Enterprise Fund	
	Local Workshops	Total
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 144,166	\$ 144,166
Accounts receivable	510	510
Due from other funds	38,658	38,658
Due from other governments:		
Local	1,565	1,565
Total Current Assets	184,899	184,899
Noncurrent Assets:		
Capital assets, net of depreciation	5,708	5,708
Total Noncurrent Assets	5,708	5,708
TOTAL ASSETS	190,607	190,607
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	844	844
Salary and benefits payable	5,282	5,282
Due to other funds	230	230
Total Current Liabilities	6,356	6,356
TOTAL LIABILITIES	6,356	6,356
<b>NET POSITION</b>		
Invested in capital assets	5,708	5,708
Unrestricted	178,543	178,543
TOTAL NET POSITION	\$ 184,251	\$ 184,251

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Fund	
	Local Workshops	Total
OPERATING REVENUES		
Registration & tech fees	\$ 51,847	\$ 51,847
Total Operating Revenues	51,847	51,847
OPERATING EXPENSES		
Salaries and benefits	92,046	92,046
Purchased services	22,833	22,833
Supplies and materials	5,647	5,647
Depreciation	4,560	4,560
Total Operating Expenses	125,086	125,086
OPERATING INCOME (LOSS)	(73,239)	(73,239)
NONOPERATING REVENUE		
Interest	293	293
Total Nonoperating Revenue	293	293
CHANGE IN NET POSITION	(72,946)	(72,946)
TOTAL NET POSITION - BEGINNING OF YEAR	257,197	257,197
TOTAL NET POSITION - END OF YEAR	\$ 184,251	\$ 184,251

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Fund	
	Local Workshops	Totals
Cash Flows from Operating Activities:		
Receipts from customers	\$ 52,527	\$ 52,527
Payments to suppliers and providers of goods and services	(27,853)	(27,853)
Payments to employees	(89,686)	(89,686)
Net Cash Used for Operating Activities	(65,012)	(65,012)
Cash Flows from Noncapital Financing Activities:		
Cash payments to other funds	(5,707)	(5,707)
Net Cash Used for Noncapital Financing Activities	(5,707)	(5,707)
Cash Flows from Investing Activities:		
Interest	293	293
Net Cash Provided by Investing Activities	293	293
Net Decrease in Cash and cash equivalents	(70,426)	(70,426)
Cash and Cash Equivalents - Beginning	214,592	214,592
Cash and Cash Equivalents - Ending	\$ 144,166	\$ 144,166
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (73,239)	\$ (73,239)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	4,560	4,560
(Increase)/decrease in assets		
Accounts receivable	1,765	1,765
Due from other governments	(1,085)	(1,085)
Increase/(decrease) in liabilities		
Accounts payable	627	627
Salary and benefits payable	2,360	2,360
Net Cash Used for Operating Activities	\$ (65,012)	\$ (65,012)

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Clair County Regional Office of Education No. 50 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

A. DATE OF MANAGEMENT'S REVIEW

St. Clair County Regional Office of Education No. 50 has evaluated subsequent events through January 21, 2014 the date when the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to state controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in the region; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 50's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education No. 50, or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2013, the Regional Office of Education No. 50 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education No. 50. Such activities are reported as a single major special revenue fund (Education Fund).

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education No. 50's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education No. 50 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education No. 50, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education No. 50 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education No. 50 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education No. 50 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education No. 50 being considered a component unit of the entity.

D. NEW ACCOUNTING PRONOUNCEMENTS

In 2013, the Regional Office of Education No. 50 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. 50 implemented these standards during the current year; however, GASB Statement No. 60 and GASB Statement No. 61 had no impact on the financial statements. The implementation of GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education No. 50's activities with most of the interfund activities removed.

Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education No. 50 has one business-type activity that relies on fees and charges for support.

The Regional Office of Education No. 50's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the Regional Office of Education No. 50 accompanied by a total column. These statements are presented on an "economic resources" measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education No. 50's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Position.

All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

G. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

H. 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.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met. The governmental funds financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets.

Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education No. 50; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Under the terms of grant agreements, St. Clair County Regional Office of Education No. 50 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 the St. Clair County Regional Office of Education No. 50's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

I. FUND ACCOUNTING

The Regional Office of Education No. 50 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education No. 50 uses governmental and proprietary funds.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS

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

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education No. 50 has presented all major funds that met the above qualifications.

The Regional Office of Education No. 50 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education No. 50. It is used to account for all financial resources in the Region except those required to be accounted and reported for in other funds. General Fund includes the following:

Educational Service Region (ESR) General Operation Account – This program is used to account for local monies received for, and payment of, expenditures in connection with general administration activities.

Payroll Clearing Fund – This program is used to account for funds received and disbursed by the Regional Superintendent for payroll costs.

Worker Compensation Escrow Fund – This program is used to account for funds received for, and payments of, worker compensation insurance policy premiums.

Employee Activity Fund – This program is used to account for funds raised by employees and used by employees for various health and social activities.

Young Authors Conference – This program is used to account for monies received for, and payment of, expenditures for the annual Young Authors Conference.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

National School Breakfast and Lunch (NSLP) – This program is used to account for State and federal grant monies received for, and payment of, expenditures to provide breakfast and lunch to the Safe School students.

General State Aid - Sec 18-8 – This program is used to account for grant monies received for, and payment of, expenditures related to any educational purposes consistent with State and local requirements subject to applicable federal requirements.

Regional Safe Schools – This program provides funding for an alternative school program for disruptive youth in grades 6-9 whom have been removed from the regular school setting due to continuous disruptions in the classroom.

Building Fund – This program is used to account for local monies received for, and payment of, expenditures necessary for the operation of the building.

Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than fiduciary and major capital projects) that are restricted to expenditures for specified purposes.

Major special revenue funds include the following:

Education Fund – This fund is used to account for various grant and education enhancement programs as follows:

McKinney-Vento Education for Homeless Children and Youth – This program uses federal funds to provide training and technical assistance to school districts in 16 counties to assist school officials in understanding and complying with the McKinney-Vento Act.

Career and Technical Education Improvement – This program is used to account for grant monies received for, and payment of, expenditures for fiscal services provided to the St. Clair County/SWIC Career and Technical Education System.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Title I School Improvement and Accountability – This program uses federal funding to provide assistance to those schools/school districts that do not meet Adequate Yearly Progress (AYP) as defined by the No Child Left Behind Act.

Math and Science Sprouting Stems – This program is used to account for federal grant monies received for, and payment of, expenditures to improve the content knowledge and pedagogical skills of kindergarten through third grade teachers in mathematics and science.

Title I School Dropout Prevention Project – This program is used to account for grant monies received for, and payment of, expenditures related to increasing high school graduation rates, decreasing dropouts, improving attendance, and assisting students in credit recovery in order to earn credits to graduate.

Mental Health Parent Resource – This program is used to account for grant monies received for, and payment of, expenditures related to support truancy intervention and prevention through case coordination, resource linkage, and parent training.

ROE School Services – This program is used to account for grant monies received for, and payment of, expenditures to assist schools in all areas of school improvement.

Bilingual Education Downstate TPI – This program is used to account for grant monies received for, and payment of, expenditures to teach children for whom English is a second language.

Federal Special Education Preschool Discretionary – This fund is used to account for federal grant monies received for, and payment of, expenditures related to services provided to educators, parents, and providers working with children (birth to five) with disabilities.

Teaching American History – 2 Grades 4-6 – This program is used to account for federal grant monies received for, and payment of, expenditures related to improving the content knowledge of grades 4-6 American History teachers so they can offer effective instruction in their classrooms.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

Title II – Teacher Quality – This program is used to account for federal grant monies received for, and payment of, expenditures related to providing teachers and principals training in teacher and principal evaluations.

Jobs for the Future – This program is used to account for Title I Dropout Prevention funds received for, and payment of expenditures related to providing technical assistance to staff members on successful intervention models for keeping high school students in school.

Learning Support Services – This program is used to account for grant monies received for, and payment of expenditures related to professional development, technical assistance and coaching for teachers and administrators on effective practices that improve students’ academic, physical, social, emotional, and behavioral health outcomes.

Additionally, the Regional Office of Education No. 50 reports the following nonmajor fund types:

Institute Fund – This program accounts for teacher certificate registration, issuance and evaluation fees for processing certificates, and expenses for meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

General Education Development – This program accounts for the receipts and expenses pertaining to the G.E.D./High School Equivalency program for high school dropouts.

Bus Driver Training – This program accounts for State and local receipts and expenses as a result of training school district bus drivers.

PROPRIETARY FUNDS

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education No. 50 on a cost reimbursement basis are reported. The Regional Office of Education No. 50 reports its Local Workshop Fund as a major proprietary fund. The Local Workshop Fund is used to account for the workshop fees and fees for technology services of the Regional Office of Education No. 50.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. GOVERNMENTAL FUND BALANCES

Fund balance is the difference between assets and liabilities in a Governmental Fund. The following types of fund balances are 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 are not available to be spent, either short term or long term, in either form or through legal restrictions. There are no accounts presenting a nonspendable fund balance.

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

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 following accounts comprise assigned fund balances: General State Aid 18-8, Young Authors Conference, National School Breakfast and Lunch, Building Fund, Employee Activity Fund and ESR General Operation Account.

Unassigned Fund Balance – the portion of a Governmental Fund’s net position that are expendable financial resources in a governmental fund that are not designated for a specific purpose. There are no accounts presenting an unassigned fund balance.

K. NET POSITION

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

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

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

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit. The Regional Office of Education No. 50 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

M. INVENTORY

Inventory is not recorded. The cost is recorded as an expenditure at the time individual inventory items are purchased.

N. CAPITAL ASSETS

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

Deskjet printers/UPS	3 years
Computer, Laser printers, Fax machines	4 years
Cameras, Projectors, Camcorders, Copiers, Televisions, PA systems	5 years
Software systems	6 years
Furniture and Typewriters	8 years
Refrigerators	10 years

O. COMPENSATED ABSENCES

Non-exempt, full-time employees earn vacation time according to their length of service: 10 days per year for the first four years of service and 15 days per year starting with the fifth year of service. Vacation time is prorated for employees working between 16 and 40 hours per week. Temporary employees, non-exempt employees who work less than 16 hours per week, and exempt employees do not earn vacation days. Vacation time must be used within the same project year in which it was earned and unused vacation time at the end of a project year is forfeited. All projects in which salary expense is incurred have a year-end consistent with the Regional Office of Education No. 50's year-end of June 30; therefore, no liability is accrued. Employees receive up to 12 sick days annually and the unused portion is accumulated 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.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

P. ESTIMATES

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

Q. BUDGET INFORMATION

The Regional Office of Education No. 50 acts as the administrative agent for certain grant programs that are accounted for in the General Fund and Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets are required to be or have been legally adopted. Certain programs within the General Fund and Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information.

Budget to actual statements have been provided in supplementary schedules for the following funds: McKinney-Vento Education for Homeless Children and Youth, Title I School Improvement and Accountability, Math and Science Sprouting Stems, Title I School Dropout Prevention Project, ROE School Services, Regional Safe Schools, Federal Special Education Preschool Discretionary, Learning Support Services, Teaching American History and Title II – Teacher Quality.

NOTE 2 – CASH AND CASH EQUIVALENTS

The Regional Office of Education No. 50 does not have a formal investment policy. The Regional Office of Education No. 50 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

A. DEPOSITS

At June 30, 2013, the carrying amount of the Regional Office of Education No. 50's Government-wide deposits were \$1,274,050, and the bank balances were \$1,427,498. Of the total bank balances as of June 30, 2013, \$250,000 was secured by federal depository insurance and \$1,177,498 was collateralized by securities pledged by the Regional Office of Education No. 50's financial institution in the name of the Regional Office.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the ROE's deposits may not be returned to it.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 2 – CASH AND CASH EQUIVALENTS (Concluded)

To guard against custodial credit risk for deposits with financial institutions, the St. Clair County Regional Office of Education No. 50's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the St. Clair County Regional Office of Education No. 50.

**B. INVESTMENTS**

The Regional Office of Education No. 50's, only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2013, the Regional Office of Education No. 50 had investments with carrying and fair value of \$129,416 invested in the Illinois Funds Money Market Fund.

**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 provision 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 Funds 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.

NOTE 3 - DEFINED BENEFIT PENSION PLAN

**Plan Description.** The St. Clair County Regional Office of Education No. 50'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 St. Clair County Regional Office of Education No. 50'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.

ST. CLAIR COUNTY  
 REGIONAL OFFICE OF EDUCATION No. 50  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

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 St. Clair County Regional Office of Education No. 50'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 St. Clair County Regional Office of Education No. 50's annual required contribution rate for calendar year 2012 was 12.81 percent. The St. Clair County Regional Office of Education No. 50 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 \$109,118.

THREE YEAR TREND INFORMATION

Calendar Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contribution</u>	Net Pension <u>Obligation</u>
12/31/12	\$109,118	100%	\$0
12/31/11	98,215	100%	0
12/31/10	115,109	73%	0

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.50 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 10.0% 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. 50'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 St. Clair County Regional Office of Education No. 50'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 89.09 percent funded. The actuarial accrued liability for benefits was \$2,793,707 and the actuarial value of assets was \$2,488,939, resulting in an underfunded actuarial accrued liability (UAAL) of \$304,768. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$851,819 and the ratio of the UAAL to the covered payroll was 36 percent.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

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

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

The St. Clair County Regional Office of Education No. 50 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multi-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 non-annuitants 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 Jan. 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. 50's TRS-covered employees.

- **On behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 50. 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. 50 recognized revenue and expenditures of \$146,592 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012 and 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 (\$120,917) and 23.10 (\$119,685) percent, respectively.

The Regional Office of Education No. 50 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 \$5,478. Contributions for the years ending June 30, 2012, and June 30, 2011, were \$5,540 and \$5,655, respectively.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

- **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. 50, there is a statutory requirement for the Regional Office of Education No. 50 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 \$618,388 were paid from federal and special trust funds that required employer contributions of \$173,458. For the years ended June 30, 2012 and June 30, 2011, required Regional Office of Education No. 50 contributions were \$157,728 and \$149,754, respectively.

- **Early Retirement Option.** The Regional Office of Education No. 50 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 contributions 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, 2012, and 2011, the Regional Office of Education No. 50 paid no employer contributions to the ERO program.

- **Salary increases over 6 percent and excess sick leave.** If the Regional Office of Education No. 50 grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education No. 50 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the years ended June 30, 2013, 2012, and 2011 the Regional Office of Education No. 50 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent.

If the Regional Office of Education No. 50 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Regional Office of Education No. 50 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the Regional Office of Education No. 50 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).

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

For the year ended June 30, 2013, the Regional Office of Education No. 50 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2012 and 2011 the Regional Office of Education No. 50 paid no employer contributions granted for sick leave days.

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

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

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS

A. TEACHERS' HEALTH INSURANCE SECURITY FUND

The St. Clair County Regional Office of Education No. 50 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the State administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by 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 St. Clair County Regional Office of Education No. 50. 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 \$8,690, and St. Clair County Regional Office of Education No. 50 recognized revenue and expenditures of this amount during the year.

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 5 - OTHER POST EMPLOYMENT BENEFITS (Continued)

State contributions intended to match active member contributions during the years ended June 30, 2012 and 2011 were 0.88 percent of pay, both years. State contributions on behalf of the St. Clair County Regional Office of Education No. 50 employees were \$8,405 and \$8,580, respectively.

- **Employer contributions to THIS Fund.** The St. Clair County Regional Office of Education No. 50 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 2011. For the year ended June 30, 2013, the St. Clair County Regional Office of Education No. 50 paid \$6,517 to the THIS Fund. For the years ended June 30, 2012 and 2011, the St. Clair County Regional Office of Education No. 50 paid \$6,304 and \$6,435 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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

**B. EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST**

**Plan Description.** The St. Clair County Regional Office of Education No. 50 contributes to the Egyptian Area Schools Employee Benefit Trust (the “Trust”), a cost-sharing multiple-employer defined benefit health care plan administered by the Board of Managers of the Trust. The Trust provides medical benefits to active and retired employees of approximately 180 participating employers. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. A copy of the report may be obtained by writing to the Egyptian Area Schools Employee Benefit Trust, c/o Meritain Health, 1109 Hartman Lane, Suite 202, Shiloh, IL 62221, or by calling Meritain Health at (866) 588-2431, Option 3 x 6105. The report is also posted on the Trust’s website at [www.egtrust.org](http://www.egtrust.org).

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

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 5 - OTHER POST EMPLOYMENT BENEFITS (Concluded)

	Platinum	Gold	Silver	Bronze
	Plan	Plan	Plan	Plan
Employee (Retiree)	\$686	\$620	\$535	\$456
Employee + spouse	\$1,416	\$1,278	\$1,109	\$938
Employee + child(ren)	\$1,368	\$1,232	\$1,069	\$920
Family	\$1,524	\$1,374	\$1,194	\$1,012

Participating employers may require employees and/or retirees to pay some or all of the required contributions to the employer, but the employer has the legal obligation to pay contributions to the Trust. St. Clair County Regional Office of Education No. 50 requires retirees to pay 100% of the contribution for coverage for retirees and their dependents.

The Board of Managers of the Trust sets the employer contribution rates each year based on an actuarial valuation. The Trust's actuary has determined that as of June 30, 2013 the contribution rates exceed the Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The St. Clair County Regional Office of Education No. 50's contributions to the Trust for the years ending June 30, 2013, June 30, 2012 and June 30, 2011, were \$366,363, \$340,890, and \$294,344, respectively, which equaled the contractually required contributions each year.

NOTE 6 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2013 consist of the following individual due to/from other funds in the governmental fund Balance Sheet and proprietary fund Statement of Net Position. The balances between governmental funds were eliminated in the government-wide Statement of Net Position. The balances between governmental and business-type activities were not eliminated in the government-wide Statement of Net Position.

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 29,952	\$ 49
Education Fund	-	68,234
Proprietary Fund	38,658	230
Non Major	-	97
Totals	<u>\$ 68,610</u>	<u>\$ 68,610</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 6 - INTERFUND ACTIVITY (Concluded)

TRANSFERS

At the end of the fiscal year, the Regional Office of Education No. 50 transfers interest income associated with the Education Funds to the ESR General Operation Account as partial reimbursement for expenditures paid by the ESR General Operation Account through the year on behalf of the Education funds. The total interest transferred from other General Funds and Education Funds to the ESR General Operation Account for the year ended June 30, 2013 was \$106.

	Transfer Out	Transfer In
General Fund	\$ -	\$ 106
Education Fund	106	-
Totals	\$ 106	\$ 106

NOTE 7 - CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Regional Office of Education No. 50 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The following table provides a summary of changes in capital assets for the year ended June 30, 2013:

	Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2013</u>
Governmental Activities				
Equipment	\$ 584,997	\$ 6,584	\$ 12,743	\$ 578,838
Furniture and Fixtures	80,898	-	705	\$ 80,193
Governmental Activities Total Assets	665,895	6,584	13,448	\$ 659,031
Less Accumulated Depreciation	521,805	55,856	13,448	\$ 564,213
Governmental Funds Investment in Capital Assets, Net	\$ 144,090	\$ (49,272)	\$ -	\$ 94,818
Business Type Activities				
Equipment	\$ 18,847	\$ -	\$ -	\$ 18,847
Furniture and Fixtures	23,332	-	-	\$ 23,332
Business-type Activities Total Assets	42,179	-	-	\$ 42,179
Less Accumulated Depreciation	31,911	4,560	-	\$ 36,471
Investment in Capital Assets, Net	\$ 10,268	\$ (4,560)	\$ -	\$ 5,708

ST. CLAIR COUNTY  
 REGIONAL OFFICE OF EDUCATION No. 50  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 7 - CAPITAL ASSET ACTIVITY (Concluded)

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2013 of \$55,856 and \$4,560 was charged to governmental activities and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

NOTE 8 - RISK MANAGEMENT

The Regional Office of Education No. 50 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education No. 50 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 9 – ON BEHALF PAYMENTS

St. Clair County provides the St. Clair County Regional Office of Education No. 50 with staff and pays certain expenditures on behalf of the St. Clair County Regional Office of Education No. 50. The expenditures paid on the St. Clair County Regional Office of Education No. 50's behalf for the year ended June 30, 2013, were as follows:

Salaries and benefits	\$ 228,050
Purchased services	<u>75,323</u>
Total	<u>\$ 303,373</u>

The State of Illinois paid the following salaries on behalf of the Regional Office of Education No. 50:

Regional Superintendent Salary	\$ 107,640
Assistant Regional Superintendent Salary	88,814
Regional Superintendent Fringe Benefit (Includes State paid insurance)	26,873
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	35,041
Regional Superintendent TRS Pension Contribution	-
Assistant Regional Superintendent TRS Pension Contribution	-
TRS Pension Contributions	146,592
THIS Contributions	<u>8,690</u>
Total	<u><u>\$ 413,650</u></u>

ST. CLAIR COUNTY  
 REGIONAL OFFICE OF EDUCATION No. 50  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 9 – ON BEHALF PAYMENTS (Concluded)

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

These amounts have been recorded in the accompanying financial statements as State and local revenue and expenditures.

NOTE 10 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education No. 50's General Fund, Education Fund, Nonmajor Special Revenue Funds and Proprietary Fund have funds due from/to various other governmental units which consist of the following:

Due From Other Governments:

<u>General Fund</u>	
Illinois State Board of Education	\$ 83
School Districts	606
<u>Education Fund</u>	
School Districts	2,672
Illinois State Board of Education	3,608
U.S. Department of Education	435,034
<u>Proprietary Fund</u>	
School Districts	1,565
Total	<u>\$ 443,568</u>

Due To Other Governments:

<u>General Fund</u>	
Local Governments	\$ 153
<u>Education Fund</u>	
Local Governments	69,961
<u>Nonmajor Special Revenue Funds</u>	
Local Governments	724
Total	<u>\$ 70,838</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 11 - OPERATING LEASE

The Regional Office of Education No. 50 entered into an operating lease for its Belleville office space. Rent expense for the building for fiscal year 2013 totaled \$112,000.

Rental payments of \$9,333 per month were required through January 31, 2012. At that time the terms of the lease were informally extended until further notice. St. Clair County provides the Regional Office of Education No. 50 with rent subsidies under this agreement of \$4,667 per month. This amount has been recorded as rental expense and local revenue on the Statement of Activities. The lease may be cancelled by the Regional Office of Education No. 50 upon 365 days written notification to the landlord, St. Clair County.

The Regional Office of Education No. 50 entered into an operating lease for space to operate educational programs. Rent expense for the building for fiscal year 2013 totaled \$51,000. Future minimum operating lease commitments are as follows:

Year ending June 30, 2014	<u>\$ 51,000</u>
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Monthly rental payments are required through June 30, 2014. Annual rent is \$51,000 plus the published annual Consumer Price Index increase. Rent for 2013 and 2012 remained consistent with no increase. This amount has been recorded as an expense split between the Regional Safe School, General State Aid 18-8, and Truants/Alternative Optional Education funds. The lease may be cancelled by the Regional Office of Education No. 50 upon 365 days written notification to the landlord, St. Mary's Parish.

**REQUIRED SUPPLEMENTARY INFORMATION**

ST. CLAIR COUNTY  
 REGIONAL OFFICE OF EDUCATION No. 50  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 SCHEDULE OF FUNDING PROGRESS  
 (UNAUDITED)  
 JUNE 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a)/c )
12/31/12	2,488,939	2,793,707	304,768	89.09	851,819	35.78%
12/31/11	2,385,972	2,668,005	282,033	89.43	767,303	36.76%
12/31/10	2,153,580	2,400,218	246,638	89.72	990,611	24.90%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$2,589,227.

On a market basis, the funded ratio would be 92.68%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with St. Clair Co. Ed. Co-op Bd. of Cont. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**SUPPLEMENTAL INFORMATION**

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
JUNE 30, 2013

	ESR General Operation Account	Payroll Clearing Fund	Worker Compensation Escrow Fund	Employee Activity Fund	Young Authors Conference
<b>ASSETS</b>					
Cash and cash equivalents	\$ 108,064	\$ 518	\$ 13,664	\$ 145	\$ 3,093
Due from other funds	807	-	-	-	-
Due from other governments					
Local	606	-	-	-	-
State	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 109,477</b>	<b>\$ 518</b>	<b>\$ 13,664</b>	<b>\$ 145</b>	<b>\$ 3,093</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 114	\$ 499	\$ 13,664	\$ -	\$ -
Salary and benefits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments					
Local	-	19	-	-	-
<b>Total Liabilities</b>	<b>114</b>	<b>518</b>	<b>13,664</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>					
Assigned	109,363	-	-	145	3,093
<b>Total Fund Balance</b>	<b>109,363</b>	<b>-</b>	<b>-</b>	<b>145</b>	<b>3,093</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>					
	<b>\$ 109,477</b>	<b>\$ 518</b>	<b>\$ 13,664</b>	<b>\$ 145</b>	<b>\$ 3,093</b>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
JUNE 30, 2013

	National School Breakfast and Lunch	General State Aid 18-8	Regional Safe Schools	Building Fund	TOTALS
<b>ASSETS</b>					
Cash and cash equivalents	\$ 20,854	\$ 570,497	\$ -	\$ 49,868	\$ 766,703
Due from other funds	-	19,516	-	9,629	29,952
Due from other governments					
Local	-	-	-	-	606
State	83	-	-	-	83
<b>TOTAL ASSETS</b>	<b>\$ 20,937</b>	<b>\$ 590,013</b>	<b>\$ -</b>	<b>\$ 59,497</b>	<b>\$ 797,344</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 3,900	\$ -	\$ 29	\$ 18,206
Salary and benefits payable	1,096	56,214	-	2,962	60,272
Due to other funds	-	43	-	6	49
Due to other governments					
Local	-	134	-	-	153
<b>Total Liabilities</b>	<b>1,096</b>	<b>60,291</b>	<b>-</b>	<b>2,997</b>	<b>78,680</b>
<b>FUND BALANCE</b>					
Assigned	19,841	529,722	-	56,500	718,664
<b>Total Fund Balance</b>	<b>19,841</b>	<b>529,722</b>	<b>-</b>	<b>56,500</b>	<b>718,664</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 20,937</b>	<b>\$ 590,013</b>	<b>\$ -</b>	<b>\$ 59,497</b>	<b>\$ 797,344</b>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	ESR General Operation Account	Payroll Clearing Fund	Worker Compensation Escrow Fund	Employee Activity Fund	Young Authors Conference
REVENUES					
Local sources	\$ 830	\$ -	\$ -	\$ -	\$ 3,350
Local sources-payments made on behalf of region	303,373	-	-	-	-
State sources	-	-	-	-	-
State sources-payments made on behalf of region	413,650	-	-	-	-
Federal sources	-	-	-	-	-
Total Revenues	<u>717,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,350</u>
EXPENDITURES					
Salaries and benefits	848	-	-	-	-
Purchased services	1,433	-	-	-	1,806
Supplies and materials	326	-	-	-	1,414
Payments made on behalf of region	717,023	-	-	-	-
Total Expenditures	<u>719,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,220</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,777)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	106	-	-	-	-
Transfers out	-	-	-	-	-
Interest	163	-	-	-	5
Total Other Financing Sources (Uses)	<u>269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
NET CHANGE IN FUND BALANCE	<u>(1,508)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135</u>
FUND BALANCE - BEGINNING OF YEAR	<u>110,871</u>	<u>-</u>	<u>-</u>	<u>145</u>	<u>2,958</u>
FUND BALANCE - END OF YEAR	<u>\$ 109,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145</u>	<u>\$ 3,093</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	National School Breakfast and Lunch	General State Aid 18-8	Regional Safe Schools	Building Fund	TOTALS
<b>REVENUES</b>					
Local sources	\$ 2,083	\$ -	\$ -	\$ 28,573	\$ 34,836
Local sources-payments made on behalf of region	-	-	-	-	303,373
State sources	481	265,940	136,629	-	403,050
State sources-payments made on behalf of region	-	-	-	-	413,650
Federal sources	23,195	-	-	-	23,195
Total Revenues	<u>25,759</u>	<u>265,940</u>	<u>136,629</u>	<u>28,573</u>	<u>1,178,104</u>
<b>EXPENDITURES</b>					
Salaries and benefits	6,538	447,520	117,831	16,416	589,153
Purchased services	22,669	82,296	16,927	14,801	139,932
Supplies and materials	-	16,229	1,871	932	20,772
Payments made on behalf of region	-	-	-	-	717,023
Total Expenditures	<u>29,207</u>	<u>546,045</u>	<u>136,629</u>	<u>32,149</u>	<u>1,466,880</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	<u>(3,448)</u>	<u>(280,105)</u>	<u>-</u>	<u>(3,576)</u>	<u>(288,776)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	106
Transfers out	-	-	-	-	-
Interest	35	1,112	-	36	1,351
Total Other Financing Sources (Uses)	<u>35</u>	<u>1,112</u>	<u>-</u>	<u>36</u>	<u>1,457</u>
<b>NET CHANGE IN FUND BALANCE</b>					
	<u>(3,413)</u>	<u>(278,993)</u>	<u>-</u>	<u>(3,540)</u>	<u>(287,319)</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>					
	<u>23,254</u>	<u>808,715</u>	<u>-</u>	<u>60,040</u>	<u>1,005,983</u>
<b>FUND BALANCE - END OF YEAR</b>					
	<u>\$ 19,841</u>	<u>\$ 529,722</u>	<u>\$ -</u>	<u>\$ 56,500</u>	<u>\$ 718,664</u>

ST. CLAIR COUNTY  
 REGIONAL OFFICE OF EDUCATION No. 50  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2012 to June 30, 2013)  
 GENERAL FUND ACCOUNT  
 REGIONAL SAFE SCHOOLS  
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 136,629	\$ 136,629	\$ 136,629
Total Revenues	<u>136,629</u>	<u>136,629</u>	<u>136,629</u>
EXPENDITURES			
Salaries and benefits	118,030	118,030	117,831
Purchased services	17,599	17,099	16,927
Supplies and materials	1,000	1,500	1,871
Total Expenditures	<u>136,629</u>	<u>136,629</u>	<u>136,629</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2013

	McKinney-Vento Education for Homeless Children and Youth	Career and Technical Education Improvement	Title I School Improvement & Accountability	Math & Science Sprouting Stems	Title I School Dropout Prevention Project	Mental Health Parent Resource
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 869	\$ -	\$ -	\$ -	\$ -
Due from other governments						
Local	-	-	-	-	-	2,496
State	-	7	-	-	-	-
Federal	10,217	-	312,240	-	59,982	-
<b>TOTAL ASSETS</b>	<b>\$ 10,217</b>	<b>\$ 876</b>	<b>\$ 312,240</b>	<b>\$ -</b>	<b>\$ 59,982</b>	<b>\$ 2,496</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,439		\$ 234,228	\$ -	\$ 12,337	\$ 223
Salary and benefits payable	2,378	876	46,898	-	27,658	1,045
Due to other funds	6,400	-	31,114	-	112	1,228
Due to other governments						
Local	-	-	-	-	19,875	-
<b>Total Liabilities</b>	<b>10,217</b>	<b>876</b>	<b>312,240</b>	<b>-</b>	<b>59,982</b>	<b>2,496</b>
<b>FUND BALANCE (DEFICIT)</b>						
Unassigned	-	-	-	-	-	-
<b>Total Fund Balance (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 10,217</b>	<b>\$ 876</b>	<b>\$ 312,240</b>	<b>\$ -</b>	<b>\$ 59,982</b>	<b>\$ 2,496</b>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2013

	ROE School Services	Bilingual Education Downstate TPI	Federal Special Education Preschool Discretionary	Teaching American History - 2 Grades 4 - 6	Title II Teacher Quality	Jobs for the Future	Learning Support Services	TOTALS
<b>ASSETS</b>								
Cash and cash equivalents	\$ 8,858	\$ 61,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,973
Due from other governments								
Local	-	176	-	-	-	-	-	2,672
State	3,601	-	-	-	-	-	-	3,608
Federal	-	-	28,152	10,843	13,600	-	-	435,034
<b>TOTAL ASSETS</b>	<b>\$ 12,459</b>	<b>\$ 61,422</b>	<b>\$ 28,152</b>	<b>\$ 10,843</b>	<b>\$ 13,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 512,287</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 71	\$ 74	\$ 7,483	\$ 5,989	\$ -	-	-	\$ 261,844
Salary and benefits payable	2,756	11,158	14,625	4,854	-	-	-	112,248
Due to other funds	9,632	104	6,044	-	13,600	-	-	68,234
Due to other governments								
Local	-	50,086	-	-	-	-	-	69,961
<b>Total Liabilities</b>	<b>12,459</b>	<b>61,422</b>	<b>28,152</b>	<b>10,843</b>	<b>13,600</b>	<b>-</b>	<b>-</b>	<b>512,287</b>
<b>FUND BALANCE (DEFICIT)</b>								
Unassigned	-	-	-	-	-	-	-	-
<b>Total Fund Balance (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 12,459</b>	<b>\$ 61,422</b>	<b>\$ 28,152</b>	<b>\$ 10,843</b>	<b>\$ 13,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 512,287</b>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	McKinney-Vento Education for Homeless Children and Youth	Career and Technical Education Improvement	Title I School Improvement & Accountability	Math & Science Sprouting Stems	Title I School Dropout Prevention Project	Mental Health Parent Resource
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,996
State sources	-	21,853	-	-	-	-
Federal sources	54,977	-	2,001,090	24,891	1,085,866	-
Total Revenues	<u>54,977</u>	<u>21,853</u>	<u>2,001,090</u>	<u>24,891</u>	<u>1,085,866</u>	<u>29,996</u>
EXPENDITURES						
Salaries and benefits	37,274	20,836	1,018,183	629	772,883	26,469
Purchased services	10,198	1,017	616,133	19,775	303,659	3,316
Supplies and materials	4,472	-	366,774	4,487	4,887	211
Capital outlay	-	-	-	-	4,437	-
Payments to other governments	-	-	-	-	-	-
Total Expenditures	<u>51,944</u>	<u>21,853</u>	<u>2,001,090</u>	<u>24,891</u>	<u>1,085,866</u>	<u>29,996</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	3,033	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>(3,033)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013

	ROE School Services	Bilingual Education Downstate TPI	Federal Special Education Preschool Discretionary	Teaching American History - 2 Grades 4 - 6	Title II Teacher Quality	Jobs for the Future	Learning Support Services	TOTALS
REVENUES								
Local sources	\$ -	\$ 179,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209,076
State sources	44,301	-	-	-	-	-	19,389	\$ 85,543
Federal sources	-	-	489,211	220,043	13,600	8,000	-	\$ 3,897,678
Total Revenues	<u>44,301</u>	<u>179,080</u>	<u>489,211</u>	<u>220,043</u>	<u>13,600</u>	<u>8,000</u>	<u>19,389</u>	<u>4,192,297</u>
EXPENDITURES								
Salaries and benefits	26,056	135,651	338,477	116,256	-	-	14,222	2,506,936
Purchased services	16,898	41,426	124,985	83,842	13,600	8,000	2,082	1,244,931
Supplies and materials	1,347	2,003	25,749	9,520	-	-	938	420,388
Capital outlay	-	-	-	-	-	-	2,147	6,584
Payments to other governments	-	-	-	10,425	-	-	-	10,425
Total Expenditures	<u>44,301</u>	<u>179,080</u>	<u>489,211</u>	<u>220,043</u>	<u>13,600</u>	<u>8,000</u>	<u>19,389</u>	<u>4,189,264</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-	-	3,033
OTHER FINANCING SOURCES (USES)								
Transfers out	(2)	(100)	(4)	-	-	-	-	(106)
Interest	2	100	4	-	-	-	-	106
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	-	3,033
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-	-	-	-	(3,033)
FUND BALANCE (DEFICIT) - END YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2012 to August 31, 2013)  
EDUCATION FUND ACCOUNT  
MCKINNEY-VENTO EDUCATION FOR HOMELESS CHILDREN AND YOUTH  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Federal	\$ 38,353	\$ 39,357	\$ 54,977
Total Revenues	<u>38,353</u>	<u>39,357</u>	<u>54,977</u>
EXPENDITURES			
Salaries and benefits	22,607	28,535	37,274
Purchased services	11,654	9,206	10,198
Supplies and materials	4,092	1,616	4,472
Total Expenditures	<u>38,353</u>	<u>39,357</u>	<u>51,944</u>
NET CHANGE IN FUND BALANCE	-	-	3,033
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>(3,033)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2012 to August 31, 2013)  
EDUCATION FUND ACCOUNT  
TITLE I SCHOOL IMPROVEMENT & ACCOUNTABILITY  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal	\$ 1,543,812	\$ 1,543,812	\$ 2,001,090
Total Revenues	<u>1,543,812</u>	<u>1,543,812</u>	<u>2,001,090</u>
EXPENDITURES			
Salaries and benefits	1,055,907	935,887	1,018,183
Purchased services	343,939	447,432	616,133
Supplies and materials	143,966	160,493	366,774
Capital outlay	-	-	-
Total Expenditures	<u>1,543,812</u>	<u>1,543,812</u>	<u>2,001,090</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of October 1, 2011 to September 30, 2012)  
EDUCATION FUND ACCOUNT  
MATH AND SCIENCE PARTNERSHIP  
MATH AND SCIENCE SPROUTING STEMS (12-4936-10)  
FOR THE YEAR ENDED JUNE 30, 2013

	2012 Budgeted Amounts		Actual Amounts		Total Actual Amounts
	Original	Final	Spent In FY 12	FY 13	
REVENUES					
Federal	\$ 100,875	\$ 100,000	\$ 74,986	\$ 24,891	\$ 99,877
Total Revenues	<u>100,875</u>	<u>100,000</u>	<u>74,986</u>	<u>24,891</u>	<u>99,877</u>
EXPENDITURES					
Salaries and benefits	12,724	3,429	2,800	629	3,429
Purchased services	84,078	92,498	71,975	19,775	91,750
Supplies and materials	<u>4,073</u>	<u>4,073</u>	<u>211</u>	<u>4,487</u>	<u>4,698</u>
Total Expenditures	<u>100,875</u>	<u>100,000</u>	<u>74,986</u>	<u>24,891</u>	<u>99,877</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of October 1, 2011 to September 30, 2012)  
EDUCATION FUND ACCOUNT  
TITLE I SCHOOL DROPOUT PREVENTION PROJECT (12-S360A100078)  
FOR THE YEAR ENDED JUNE 30, 2013

	2012 Budgeted Amounts		Actual Amounts Spent In		Total Actual Amounts
	Original	Final	FY 12	FY 13	
REVENUES					
Federal	\$ 989,536	\$ 1,338,889	\$ 785,019	\$ 195,608	\$ 980,627
Total Revenues	<u>989,536</u>	<u>1,338,889</u>	<u>785,019</u>	<u>195,608</u>	<u>980,627</u>
EXPENDITURES					
Salaries and benefits	792,536	902,389	536,977	137,492	674,469
Purchased services	185,200	368,700	243,951	56,386	300,337
Supplies and materials	11,800	67,800	898	1,730	2,628
Capital outlay	-	-	3,193	-	3,193
Total Expenditures	<u>989,536</u>	<u>1,338,889</u>	<u>785,019</u>	<u>195,608</u>	<u>980,627</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of October 1, 2012 to September 30, 2013)  
EDUCATION FUND ACCOUNT  
TITLE I SCHOOL DROPOUT PREVENTION PROJECT (13-S360A100078)  
FOR THE YEAR ENDED JUNE 30, 2013

	2013 Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 906,465	\$ 1,264,727	\$ 890,258
Total Revenues	<u>906,465</u>	<u>1,264,727</u>	<u>890,258</u>
EXPENDITURES			
Salaries and benefits	675,125	879,009	635,391
Purchased services	225,440	368,218	247,273
Supplies and materials	5,900	17,500	3,157
Capital outlay	-	-	4,437
Total Expenditures	<u>906,465</u>	<u>1,264,727</u>	<u>890,258</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2012 to June 30, 2013)  
EDUCATION FUND ACCOUNT  
ROE SCHOOL SERVICES (13-3730-00)  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 44,301	\$ 44,301	\$ 44,301
Total Revenues	<u>44,301</u>	<u>44,301</u>	<u>44,301</u>
EXPENDITURES			
Salaries and benefits	24,074	24,384	26,056
Purchased services	19,410	19,570	16,898
Supplies and materials	817	347	1,347
Total Expenditures	<u>44,301</u>	<u>44,301</u>	<u>44,301</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(2)
Interest	-	-	2
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2012 to June 30, 2013)  
EDUCATION FUND ACCOUNT  
FEDERAL SPECIAL EDUCATION PRESCHOOL DISCRETIONARY (13-4605-00)  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Total Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
<b>REVENUES</b>			
Federal	\$ 489,250	\$ 489,250	\$ 489,211
Total Revenues	<u>489,250</u>	<u>489,250</u>	<u>489,211</u>
<b>EXPENDITURES</b>			
Salaries and benefits	341,269	341,269	338,477
Purchased services	123,370	123,370	124,985
Supplies and materials	24,611	24,611	25,749
Capital outlay	-	-	-
Payments to other governments	-	-	-
Total Expenditures	<u>489,250</u>	<u>489,250</u>	<u>489,211</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	(4)
Interest	-	-	4
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2012 to June 30, 2013)  
EDUCATION FUND ACCOUNT  
LEARNING SUPPORT SERVICES (12-3730-00)  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 29,500	\$ 29,500	\$ 19,389
Total Revenues	<u>29,500</u>	<u>29,500</u>	<u>19,389</u>
EXPENDITURES			
Salaries and benefits	22,583	22,583	14,222
Purchased services	3,178	3,178	2,082
Supplies and materials	1,389	1,389	938
Capital Outlay	<u>2,350</u>	<u>2,350</u>	<u>2,147</u>
Total Expenditures	<u>29,500</u>	<u>29,500</u>	<u>19,389</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2012 to June 30, 2013)  
EDUCATION FUND ACCOUNT  
TITLE II – TEACHER QUALITY (13-4935-00)  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 13,800	\$ 13,800	\$ 13,600
Total Revenues	<u>13,800</u>	<u>13,800</u>	<u>13,600</u>
EXPENDITURES			
Purchased services	<u>13,800</u>	<u>13,800</u>	<u>13,600</u>
Total Expenditures	<u>13,800</u>	<u>13,800</u>	<u>13,600</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2012 to June 30, 2013)  
EDUCATION FUND ACCOUNT  
TEACHING AMERICAN HISTORY  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Total Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 353,914	\$ 353,914	\$ 220,043
Total Revenues	<u>353,914</u>	<u>353,914</u>	<u>220,043</u>
EXPENDITURES			
Salaries and benefits	130,757	130,757	116,256
Purchased services	178,327	178,327	83,842
Supplies and materials	24,830	24,830	9,520
Payments to other governments	20,000	20,000	10,425
Total Expenditures	<u>353,914</u>	<u>353,914</u>	<u>220,043</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013

	Institute Fund	General Education Development	Bus Driver Training	TOTALS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 172,733	\$ 96,670	\$ 22,805	\$ 292,208
Accounts receivable	-	905	128	1,033
<b>TOTAL ASSETS</b>	<u>\$ 172,733</u>	<u>\$ 97,575</u>	<u>\$ 22,933</u>	<u>\$ 293,241</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 419	\$ 138	\$ 236	793
Salary and benefits payable	941	170	431	1,542
Due to other funds	33	64	-	97
Due to other governments				
Local	-	724	-	724
<b>Total Liabilities</b>	<u>1,393</u>	<u>1,096</u>	<u>667</u>	<u>3,156</u>
<b>FUND BALANCE</b>				
Restricted	171,340	96,479	22,266	290,085
Assigned	-	-	-	-
<b>Total Fund Balance</b>	<u>171,340</u>	<u>96,479</u>	<u>22,266</u>	<u>290,085</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 172,733</u>	<u>\$ 97,575</u>	<u>\$ 22,933</u>	<u>\$ 293,241</u>

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Institute Fund	General Education Development	Bus Driver Training	TOTALS
<b>REVENUES</b>				
Local sources	\$ 86,981	\$ 41,923	\$ 7,934	\$ 136,838
State sources	-	-	1,873	1,873
Total Revenues	<u>86,981</u>	<u>41,923</u>	<u>9,807</u>	<u>138,711</u>
<b>EXPENDITURES</b>				
Salaries and benefits	25,860	11,310	2,659	39,829
Purchased services	8,561	7,137	2,572	18,270
Supplies and materials	1,237	10,989	37	12,263
Other objects	40,549	-	-	40,549
Total Expenditures	<u>76,207</u>	<u>29,436</u>	<u>5,268</u>	<u>110,911</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>10,774</u>	<u>12,487</u>	<u>4,539</u>	<u>27,800</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interest	166	141	32	339
Total Other Financing Sources (Uses)	<u>166</u>	<u>141</u>	<u>32</u>	<u>339</u>
<b>NET CHANGE IN FUND BALANCE</b>	10,940	12,628	4,571	28,139
<b>FUND BALANCE - BEGINNING</b>	<u>160,400</u>	<u>83,851</u>	<u>17,695</u>	<u>261,946</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 171,340</u>	<u>\$ 96,479</u>	<u>\$ 22,266</u>	<u>\$ 290,085</u>

**FEDERAL COMPLIANCE SECTION**

ST. CLAIR COUNTY  
REGIONAL OFFICE OF EDUCATION No. 50  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013

<u>Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # (1st eight digits) or Contract #</u>	<u>Federal Expenditures 7/1/12 - 6/30/13</u>
<b>U.S. Department of Education</b>			
Fund for the Improvement of Education - Teaching American History-2 Grades 4-6	84.215X	U215X070245	\$ 220,043
High School Graduation Initiative - Title I School Dropout Prevention Project	84.360	13-S360A100078	<u>1,085,866</u>
<b>passed through Illinois State Board of Education:</b>			
Mathematics and Science Partnership	84.366B	13-4936-10	<u>24,891</u>
Title I, Part A - Grants to Local Educational Agencies -			
Title I School Improvement and Accountability	84.010	12-4331-SS	507,877
Title I School Improvement and Accountability	84.010	13-4331-SS	<u>1,493,213</u>
Total Title I, Part A - Grants to Local Educational Agencies			<u>2,001,090 (M)</u>
Improving Special Education Preschool Grants - Federal Special Education Preschool Discretionary	84.173A	13-4605-00	<u>489,211 (M)</u>
Title II - Teacher Quality - Leadership Grant	84.367A	13-4935-02	<u>13,600</u>
<b>passed through Jobs for the Future, Inc.</b>			
Technical Assistance to States and School Districts on Dropout Prevention and Recovery	84.360A		<u>8,000</u>
<b>passed through Bond/Fayette/Effingham Regional Office of Education #3</b>			
Education for Homeless Children & Youth -			
McKinney-Vento Education for Homeless Children and Youth	84.196A	13-4920-00	38,995
McKinney-Vento Education for Homeless Children and Youth	84.196A	13-4920-01	<u>12,949</u>
Total Education for Homeless Children & Youth			<u>51,944</u>
<b>Total U.S. Department of Education</b>			<u>3,894,645</u>

The accompanying notes are an integral part of this schedule

ST. CLAIR COUNTY  
 REGIONAL OFFICE OF EDUCATION No. 50  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2013

<u>Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # (1st eight digits) or Contract #</u>	<u>Federal Expenditures 7/1/12 - 6/30/13</u>
<b>U.S. Dept. of Agriculture</b>			
<b>passed through Illinois State Board of Education:</b>			
Child Nutrition Cluster			
School Breakfast Program	10.553	12-4220-00	379
School Breakfast Program	10.553	13-4220-00	3,352
Total School Breakfast Program			3,731
National School Lunch Program	10.555	12-4210-00	2,055
National School Lunch Program	10.555	13-4210-00	17,408
Total National School Lunch Program			19,463
Total Child Nutrition Cluster			23,194
<b>Total U.S. Department of Agriculture</b>			23,194
<b>Total Expenditures of Federal Awards</b>			\$ 3,917,839

(M) Program was audited as a major program.

ST. CLAIR COUNTY  
 REGIONAL OFFICE OF EDUCATION No. 50  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of ROE No. 50 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Regional Office of Education No. 50 provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Amount provided to subrecipients</u>
Teaching American History - 2 Grades 4 - 6	84.215X	\$ 10,425

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Title I, Part A – Grants to Local Educational Agencies

Title I School Improvement and Accountability - This program uses federal funding to provide assistance to those schools/school districts that do not meet Adequate Yearly Progress (AYP) as defined by the No Child Left Behind Act.

Improving Special Education Preschool Grants

Federal Special Education Preschool Discretionary – This fund is used to account for federal grant monies received for, and payment of, expenditures related to services provided to educators, parents, and providers working with children (birth to five) with disabilities.

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

None