

**State of Illinois
BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
FINANCIAL AUDIT
(In accordance with the Single Audit Act
& OMB Circular A-133)
For the Year Ended June 30, 2010**

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

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**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28**

OFFICIALS

Regional Superintendent	Ms. Angela Zarvell (current)
Regional Superintendent	Dr. Bruce Dennison (during the audit period)
Assistant Regional Superintendent	Ms. Angela Zarvell (during the audit period)

Offices are located at:

107 South State Street
Atkinson, Illinois 61235-9788

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28**

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	4	2
Repeated audit findings	2	1
Prior recommendations implemented or not repeated	0	0

Details of the audit findings are presented in a separate report section.

An additional two matters which are less than a significant deficiency or material weakness but more than inconsequential, have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditors' reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
10-1	12/12a	Controls over financial statement preparation	Significant Deficiency
10-2	12b/c	Inaccurate Budgets and Expenditure Reports	Significant Deficiency Compliance
10-3	12d/e	Indirect Cost Allocation Plan	Significant Deficiency Compliance
10-4	12f/g	Reimbursement of Program Expenses	Material Weakness
<i>FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)</i>			
10-2	12b/c	Inaccurate Budget and Expenditure Reports	Significant Deficiency Compliance
10-3	12d/e	Indirect Cost Allocation Plan	Significant Deficiency Compliance
10-4	12f/g	Reimbursement of Program Expenses	Material Weakness Compliance

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28**

COMPLIANCE REPORT SUMMARY (Continued)

PRIOR AUDIT FINDINGS NOT REPEATED
(GOVERNMENT AUDITING STANDARDS)

-N/A-

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

-N/A-

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference held on October 8, 2010. Attending were Angela Zarvell, Regional Superintendent, and Tonya Lofgren, auditor with Wipfli LLP. Responses to the recommendations were provided by Angela Zarvell, Regional Superintendent on June 17, 2011.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28**

**FINANCIAL STATEMENT REPORT
SUMMARY**

The audit of the accompanying basic financial statements of Bureau/Henry/Stark Counties Regional Office of Education #28 (ROE) was performed by Wipfli LLP.

Based on their audit, the auditors expressed an unqualified opinion on the ROE's basic financial statements.

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bureau/Henry/Stark Counties Regional Office of Education #28, as of and for the year ended June 30, 2010, which collectively comprise the Bureau/Henry/Stark Counties Regional Office of Education #28's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Bureau/Henry/Stark Counties Regional Office of Education #28's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bureau/Henry/Stark Counties Regional Office of Education #28, as of June 30, 2010, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2011, on our consideration of Bureau/Henry/Stark Counties Regional Office of Education #28's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 17 through 21 and 43 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bureau/Henry/Stark Counties Regional Office of Education #28's basic financial statements. The accompanying supplemental information, such as the combining and individual nonmajor fund financial statements, budgetary comparison schedules and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Wipfli LLP

Dixon, Illinois
July 18, 2011

**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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bureau/Henry/Stark Counties Regional Office of Education #28, as of and for the year ended June 30, 2010, which collectively comprise the Bureau/Henry/Stark Counties Regional Office of Education #28's basic financial statements and have issued our report thereon dated July 18, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bureau/Henry/Stark Counties Regional Office of Education #28's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau/Henry/Stark Counties Regional Office of Education #28's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bureau/Henry/Stark Counties Regional Office of Education #28's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies we consider to be significant deficiencies.

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. We consider the deficiency described in finding 10-4 in the accompanying Schedule of Findings and Questioned Costs to be a material weakness. 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. We consider the deficiencies described in findings 10-1, 10-2 and 10-3 in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau/Henry/Stark Counties Regional Office of Education #28'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 10-2, 10-3 and 10-4.

We also noted certain matters which we have reported to management of the Bureau/Henry/Stark Counties Regional Office of Education #28 in a separate letter dated July 18, 2011.

Bureau/Henry/Stark Counties Regional Office of Education #28's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Bureau/Henry/Stark Counties Regional Office of Education #28's response and, accordingly, we express no opinion on it.

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

Wipac LLP

Dixon, Illinois
July 18, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited Bureau/Henry/Stark Counties Regional Office of Education #28'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 Bureau/Henry/Stark Counties Regional Office of Education #28's major federal programs for the year ended June 30, 2010. The Regional Office of Education #28's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Regional Office of Education #28's management. Our responsibility is to express an opinion on Regional Office of Education #28's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *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 Regional Office of Education #28's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Regional Office of Education #28's compliance with those requirements.

In our opinion, the Bureau/Henry/Stark Counties Regional Office of Education #28 complied, in all material respects, with the 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, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 10-2, 10-3, and 10-4.

Internal Control Over Compliance

Management of Bureau/Henry/Stark Counties Regional Office of Education #28 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Bureau/Henry/Stark Counties Regional Office of Education #28's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 Regional Office of Education #28's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 10-4 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 10-2 and 10-3 to be significant deficiencies.

Bureau/Henry/Stark Counties Regional Office of Education #28 responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Bureau/Henry/Stark Counties Regional Office of Education #28's responses and, accordingly, we express no opinion on the responses.

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

Wipfli LLP

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2010

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unqualified
 (unqualified, qualified, adverse, disclaimer)

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? X yes none reported
- Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? X yes none reported

Type of auditors' report issued on compliance for major programs: Unqualified
 (unqualified, qualified, adverse, disclaimer)

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.287	Twenty-First Century Community Learning Centers

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

Auditee qualified as low-risk auditee yes X no

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2010**

FINDING NO 10-1 – Controls Over Financial Statement Preparation (Repeat from 09-1, 08-1 and 07-1)

Criteria/Specific Requirement:

The Bureau/Henry/Stark Counties Regional Office of Education #28 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the accrual basis of accounting for disbursements and the cash basis of accounting for receipts. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable and deferred revenue.
- Several adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Effect:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #28 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including note disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2010**

FINDING NO 10-1 – Controls Over Financial Statement Preparation (Continued)

Management's Response:

Regional Office of Education #28 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. Regional Office of Education #28 accepts the degree of risk associated with this condition because the added expense of seeking additional expertise to prepare and/or review financial statements would take away from the funds available to provide educational services to students and teachers. The cost of hiring and training additional staff or contracting services outweighs the benefit. If additional resources are made available through the State of Illinois, the Regional Office will consider seeking the services of an accountant to review the financial statements and related disclosures for completeness and accuracy.

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2010

FINDING NO 10-2 – Inaccurate Budgets and Expenditure Reports (Repeat from Finding 09-2)

Federal Program Name & Year – Title IV – 21st Century Community Learning Centers
Project Number – 09-4421-08, 10-4421-07, 10-4421-10
CFDA Number – 84.287
Passed Through – Illinois State Board of Education
Federal Agency – U.S. Department of Education

Criteria/Specific Requirement:

The Regional Office of Education #28 is required by the Illinois State Board of Education (ISBE) to prepare grant budgets and report grant expenditures in accordance with *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* and the *Illinois Program Accounting Manual*.

According to these manuals, the breakdown in the grant budgets should be an itemization and description of the requested grant costs provided in enough detail to identify what costs are to be charged to the grants. In addition, regulations state that any amount reported in an expenditure report that is not for a budgeted item or not within the acceptable variance approved by the program, cannot be accepted.

Grant expenditure reports should reflect program costs in the appropriate function and object codes regardless of where the costs were budgeted.

Condition:

The Regional Office of Education #28 did not properly prepare grant budgets and therefore, did not report grant expenditures in accordance with ISBE *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* or the *Illinois Program Accounting Manual* for the Title IV – 21st Century Community Learning Centers. The Regional Office budgeted the majority of its funds to the Payments to Other Governments function and the Purchased Services object code. The budget narrative indicated these funds were to be transferred to various school districts and to the county for salaries and benefits.

A review of the supporting documentation showed that the Regional Office spent Title IV – 21st Century Community Learning Centers Program funds for allowable grant related costs (different than those budgeted) rendering the related expenditure reports for these funds inaccurate. The grant funds were actually used to pay salaries, benefits, workers' compensation insurance, and unemployment costs for Regional Office employees related to the program, transportation costs for school districts administering the program and various other program costs.

In addition, Henry County processes and pays the Regional Office payroll. The Regional Office then reimburses Henry County for the payroll amount. The Regional Office reported these payroll reimbursements in the Payments to Other Governments expenditure category rather than in the Salaries and Benefits expenditure category where the expenditures were actually incurred. The Regional Office reported the expenditures by vendor instead of expenditure type.

Generally accepted accounting principles state that expenditures be classified in the appropriate expenditure category.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2010**

FINDING NO 10-2 – Inaccurate Budgets and Expenditure Reports (Continued)

Questioned Costs:

Although the Regional Office is not properly budgeting and reporting its expenditures, the expenditures claimed were for allowable grant costs under the grant terms of the 21st Century Community Learning Centers Program, without material exception. Therefore, there are no current year questioned costs.

Context:

N/A

Effect:

The budgets prepared by the Regional Office and approved by ISBE and the expenditure reports submitted to ISBE did not accurately reflect the activity of the period. The Regional Office also was not in compliance with the requirements of the *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* or the *Illinois Program Accounting Manual*. In addition, expenditures were misclassified. The Salary and Benefit expenditure category was understated by the same amount that the Payments to Other Governments expenditure category was overstated.

Cause:

The Regional Office has been budgeting, classifying, and reporting expenditures in this manner for the past six years. For example, expenditures were made to Henry County which processes the Regional Office's payroll. The Regional Office classified these expenditures as a "payment to a governmental body" because Henry County is a governmental entity as opposed to payroll related expenses.

Recommendation:

The Regional Office of Education #28 should begin budgeting and reporting expenditures of the Title IV – 21st Century Community Learning Centers Program in accordance with the *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* and the *Illinois Program Accounting Manual*. In addition, the Regional Office should contact ISBE and amend the grant budgets for all of its programs going forward. The Regional Office should also report expenditures by their expenditure type instead of the vendor type.

Management's Response:

Regional Office of Education #28 will report its grant expenditures by function and object code. The Regional Office contacted ISBE and made budget adjustments for FY 2011.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2010**

FINDING NO. 10-3 – Indirect Cost Allocation Plan

Federal Program Name & Year – Title IV- 21st Century Community Learning Centers
Project Number – 09-4421-08, 10-4421-07, 10-4421-10
CFDA Number – 84.287
Passed Through – Illinois State Board of Education
Federal Agency – U.S. Department of Education

Criteria/Specific Requirement:

Grants, cost reimbursement contracts and other agreements with the Federal Government (collectively known as Federal Awards) should bear their fair share of costs recognized under principles established by the federal Office of Management and Budget (OMB). Costs are allocable to Federal Awards if the goods or services involved are chargeable or assignable to the award in accordance with the relative benefits received. Where an accumulation of indirect costs will ultimately result in charges to a Federal Award, a cost allocation plan is required as described in Attachments C, D and E of OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*.

Grants administered by the Illinois State Board of Education (ISBE) require the charging of direct and indirect costs to be applied to grants in accordance with the *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* and the *Illinois Program Accounting Manual*. These procedures are in accordance with ISBE's delegated authority and the appropriate federal Office of Management and Budget.

An indirect cost rate (ICR) or a cost allocation plan (CAP) must be used when charging certain direct and indirect costs to grants.

Condition:

The ROE did not elect to utilize the indirect cost rate (ICR) in its application and does not have a written plan for allocating joint costs to its grant programs. The Regional Office uses a spreadsheet to allocate salary costs to various grants. The allocations are based on prior time studies, but no written plan exists to support the allocations. In addition, indirect costs relating to utilities, rent, and office personnel are charged to the grants based on remaining grant funds, not a cost allocation plan or indirect cost rate.

Questioned Costs:

The amount of questioned costs cannot be determined without preparing a cost allocation plan.

Context:

Of the items tested, the Regional Office of Education allocated a total of \$14,906 of indirect costs to the above program. While those costs appear to be allowable costs, without documentation of the basis for, and rationale behind, the allocation, the amount over- or under-charged to the program cannot be readily determined.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2010**

FINDING NO. 10-3 – Indirect Cost Allocation Plan (Continued)

Effect:

The Regional Office of Education #28 is not able to determine if the amount of central service activities charged to the Federal Award represent the grant's "fair share" of costs recognized under principles required by OMB Circular A-87.

The Regional Office is not in compliance with the *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* and the *Illinois Program Accounting Manual*. These procedures are in accordance with ISBE's delegated authority and the appropriate federal Office of Management and Budget.

Cause:

The ROE did not request the use of an indirect cost rate in its application and does not have a written, approved cost allocation plan.

Recommendation:

The Regional Office of Education #28 should prepare a written plan for allocating joint costs and retain the required documentation to support the distribution of costs to its grant programs.

Management's Response:

Regional Office of Education #28 will prepare a written cost allocation plan to ensure the equitable distribution of joint costs to grant programs.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2010**

FINDING NO. 10-4 – Allowable Cost

Federal Program Name & Year – Title I Grants to Local Education Agencies - RESPRO
Project Number – 05-08 and 06-15
CFDA Number – 84.010
Passed Through – Boone/Winnebago Regional Office of Education #4
Federal Agency – U.S. Department of Education

Criteria/Specific Requirement:

OMB Circular A-87 (2 CFR, Part 225) states that costs allocated to a particular federal award or cost objective may not be charged to other federal awards.

Condition:

The Regional Office of Education #28 requested expense reimbursements from the federal Title I RESPRO grant that were already reimbursed or claimed as expenses in other federal grants.

Cause:

The Regional Office of Education #28 claimed federal grant reimbursements from its pass-through grantor and also charged the same expenses to another federal grant in its accounting records. The Regional Office of Education #28 misunderstood the substantiation qualifications of the grant.

Questioned Costs:

The amount of duplicated federal reimbursement claims totaled \$61,303.

Context:

The amount of questioned costs is approximately 45.38% of the total expenditures claimed in this grant.

Effect:

The Regional Office charged the same federal grant expenditures to two different federal grants. The Regional Office overstated expenditures in the Title I – Grants to Local Education Agencies grant by \$61,303.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2010**

FINDING NO. 10-4 – Allowable Cost (Continued)

Recommendation:

The Regional Office of Education #28 should implement internal control procedures to ensure that grant expenditures are only charged once to the appropriate grant program. The Regional Office should also amend its reimbursement reports with this grantor.

Management's Response:

In order to meet payrolls deadlines, Regional Office of Education #28 allocated costs to appropriate grant programs pending reimbursement of costs. Regional Office of Education #28 will amend protocol within the office.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
Year Ended June 30, 2010**

INSTANCES OF NONCOMPLIANCE:

10-2 – Inaccurate Budgets and Expenditure Reports (Finding details on pages 12b and 12c)

10-3 – Indirect Cost Allocation Plan (Finding details on pages 12d and 12e)

10-4 – Reimbursement of Program Expenses (Finding details on pages 12f and 12g)

SIGNIFICANT DEFICIENCIES

10-2 – Inaccurate Budgets and Expenditure Reports (Finding details on pages 12b and 12c)

10-3 – Indirect Cost Allocation Plan (Finding details on pages 12d and 12e)

MATERIAL WEAKNESSES

10-4 – Reimbursement of Program Expenses (Finding details on pages 12f and 12g)

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
June 30, 2010**

Corrective Action Plan

Finding No: 10-1 Controls Over Financial Statement Preparation (Repeat from 09-1, 08-1 and 07-1)

Condition:

The Regional Office does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the accrual basis of accounting for disbursements and the cash basis of accounting for receipts. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable and deferred revenue.
- Several adjustments were required to present financial statements in accordance with generally accepted accounting principles.

Plan:

Regional Office of Education #28 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. Regional Office of Education #28 accepts the degree of risk associated with this condition because the added expense of seeking additional expertise to prepare and/or review financial statements would take away from the funds available to provide educational services to students and teachers. The cost of hiring and training additional staff or contracting services outweighs the benefit. If additional resources are made available through the State of Illinois, the Regional Office will consider seeking the services of an accountant to review the financial statements and related disclosures for completeness and accuracy.

Anticipated Completion Date:

Ongoing

Name of Contact Person:

Ms. Angela Zarvell, Regional Superintendent

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
(Continued)
June 30, 2010

Corrective Action Plan

Finding No: 10-2 Inaccurate Budgets and Expenditure Reports (Repeat from Finding 09-2)

Condition:

The Regional Office of Education #28 did not properly prepare grant budgets and therefore, did not report grant expenditures in accordance with ISBE *State and Federal Grant Administration Policy and Fiscal Requirements and Procedures* or the *Illinois Program Accounting Manual* for the Title IV – 21st Century Community Learning Centers. The Regional Office budgeted the majority of its funds to the Payments to Other Governments function and the Purchased Services object code. The budget narrative indicated these funds were to be transferred to various school districts and to the county for salaries and benefits.

A review of the supporting documentation showed that the Regional Office spent Title IV – 21st Century Community Learning Centers Program funds for allowable grant related costs (different than those budgeted) rendering the related expenditure reports for these funds inaccurate. The grant funds were used to pay salaries, benefits, workers' compensation insurance, and unemployment costs for Regional Office employees related to the program, transportation costs for school districts administering the program and various other program costs.

In addition, Henry County processes and pays the Regional Office payroll. The Regional Office then reimburses Henry County for the payroll amount. The Regional Office reported these payroll reimbursements in the Payments to Other Governments expenditure category rather than in the Salaries and Benefits expenditure category where the expenditures were actually incurred. The Regional Office reported the expenditures by vendor instead of expenditure type.

Generally accepted accounting principles state that expenditures be classified in the appropriate expenditure category.

Plan:

Regional Office of Education #28 will report its grant expenditures by function and object code. The Regional Office contacted ISBE and made budget adjustments for FY 2011.

Anticipated Date of Completion:

June 30, 2011

Name of Contact Person:

Angie Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
(Continued)
June 30, 2010**

Corrective Action Plan

Finding No: 10-3 Indirect Cost Allocation Plan

Condition:

The ROE did not elect to utilize the indirect cost rate (ICR) in its application and does not have a written plan for allocating joint costs to its grant programs. The Regional Office uses a spreadsheet to allocate salary costs to various grants. The allocations are based on prior time studies, but no written plan exists to support the allocations. In addition, indirect costs relating to utilities, rent, and office personnel are charged to the grants based on remaining grant funds, not a cost allocation plan or indirect cost rate.

Plan:

Regional Office of Education #28 will prepare a written cost allocation plan to ensure the equitable distribution of joint costs to grant programs.

Anticipated Date of Completion:

June 30, 2011

Name of Contact Person:

Angie Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
(Continued)
June 30, 2010**

Corrective Action Plan

Finding No: 10-4 Allowable Cost

Condition:

The Regional Office of Education #28 requested expense reimbursements from the federal Title I RESPRO grant that were already reimbursed or claimed as expenses in other federal grants.

Plan:

In order to meet payrolls deadlines, Regional Office of Education #28 allocated costs to appropriate grant programs pending reimbursement of costs. Regional Office of Education #28 will amend protocol within the office.

Anticipated Date of Completion:

June 30, 2011

Name of Contact Person:

Angie Zarvell, Regional Superintendent

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
SUMMARY SCHEDULE OF PRIOR YEAR'S FINDINGS
Year Ended June 30, 2010**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
09-1	Controls over financial statement preparation	Repeat 10-1
09-2	Inaccurate budgets and expenditure reports	Repeat 10-2

MANAGEMENT'S DISCUSSION AND ANALYSIS

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2010**

The Regional Office of Education #28 for the Counties of Bureau, Henry and Stark provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2010. Readers are encouraged to consider this information in conjunction with the Regional Office's financial statements which follow:

2010 Financial Highlights

- Within the Governmental Funds;
 - The General Fund revenue decreased by \$53,663 from \$335,725 in fiscal year 2009 to \$282,062 in fiscal year 2010.
 - The General Fund expenditures decreased by \$34,805 from \$340,654 in fiscal year 2009 to \$305,849 in fiscal year 2010.

- Within the Governmental Funds;
 - The Special Revenue Funds revenue decreased by \$492,963 from \$2,358,207 in fiscal year 2009 to \$1,865,244 in fiscal year 2010.
 - The Special Revenue Funds expenditures increased by \$365,010 from \$1,523,716 in fiscal year 2009 to \$1,888,726 in fiscal year 2010.

- Within the Governmental Funds;
 - The General Fund balance decreased by \$23,787 from \$161,734 in fiscal year 2009 to \$137,947 in fiscal year 2010.
 - The Special Revenue Funds fund balance decreased by \$23,482 from \$883,453 in fiscal year 2009 to \$859,971 in fiscal year 2010.

Using This Report

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The Government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Regional Office of Education as a whole and present an overall view of the Office's finances.
- Fund financial statements report the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detailed information about the non-major funds.

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2010

Reporting the Office as a Whole

The Statement of Net Assets and the Statement of Activities

The Government-wide statements report information about the Regional Office of Education #28 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid, using accounting methods similar to those used by private-sector companies.

The two Government-wide statements report the Office's net assets and how they have changed. Net assets, the difference between the assets and liabilities, are one way to measure the Office's financial health or position.

- Over time, increases and decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

The Government-wide financial statements present all of the Office's activities as governmental activities. Local, state and federal aid finances most of these activities.

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices which allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education #28 established other funds to control and manage money for particular purposes.

The Office has two types of funds:

- 1) Governmental funds account for all of the Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. The Office's Governmental Funds include: The General Fund and the Special Revenue Funds.

The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

- 2) Fiduciary funds are used to account for assets held by the Regional Office of Education #28 in a trust capacity or as an agent for individual and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets.

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2010

CONDENSED STATEMENT OF NET ASSETS
GOVERNMENTAL ACTIVITIES

	Year Ended 2010	Year Ended 2009
Current Assets	\$ 1,885,180	\$ 1,358,443
Capital Assets, Net	<u>76,900</u>	<u>109,695</u>
Total Assets	<u>1,962,080</u>	<u>1,468,138</u>
Current Liabilities	<u>745,731</u>	<u>313,256</u>
Total Liabilities	<u>745,731</u>	<u>313,256</u>
Net Assets		
Invested in Capital Assets net of related debt	76,900	109,695
Unrestricted	1,114,811	1,026,540
Restricted for teacher prof. development	<u>24,638</u>	<u>18,647</u>
Total Net Assets	<u>\$ 1,216,349</u>	<u>\$ 1,154,882</u>

The Regional Office of Education's net assets increased by \$833,272 in fiscal year 2009 and \$61,467 in fiscal year 2010. Net assets increased to \$1,216,349 in fiscal year 2010. The following analysis shows the changes in net assets for the years ending June 30, 2009 and June 30, 2010:

CHANGES IN NET ASSETS
Governmental Activities

Revenues:		
Program Revenues:		
Operating grants and contributions	\$ 1,739,332	\$ 1,304,330
Capital grants and contributions	<u>-0-</u>	<u>-0-</u>
	1,739,332	1,304,330
General Revenues		
Local sources	231,309	800,392
State sources	75,675	336,669
Investment income	17,482	28,396
On-behalf payments - State/Local	<u>267,877</u>	<u>224,145</u>
Total Revenues	<u>2,331,675</u>	<u>2,693,932</u>
Expenses:		
Program Expenses:		
Salaries	501,524	403,310
Employee benefits	149,338	122,419
Purchased services	331,291	342,941
Supplies and Materials	266,913	79,614
Payments to other governments	716,356	664,948
Depreciation expense	22,584	23,283
Loss on disposal of fixed assets	14,325	-0-
Administrative Expenses:		
On-behalf payments-State/Local	<u>267,877</u>	<u>224,145</u>
Total Expenses	<u>2,270,208</u>	<u>1,860,660</u>
Increase (Decrease) in Net Assets	61,467	833,272
Net Assets beginning of year	1,154,882	321,610
Net Assets end of year	<u>\$ 1,216,349</u>	<u>\$ 1,154,882</u>

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2010**

Office-Wide Financial Analysis

As noted earlier, net assets may serve when examined over time as one indicator of the financial position of the Regional Office. The Total Net Assets can be summarized as follows: FY 10 - \$1,216,349; FY 09 - \$1,154,882. The increase was due to the increase in grant funding. The analysis that provides a comparison of the Office's net assets for the governmental funds is on page 19.

Financial Analysis of the Regional Office of Education #28 Funds

Revenues for governmental funds were \$2,190,144 and \$2,693,932 for fiscal years 2010 and 2009, respectively. Expenditures were \$2,237,413 and \$1,864,370 for fiscal years 2010 and 2009, respectively. As previously noted, the Regional Office of Education #28 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Office's Governmental Funds reported combined fund balances of \$997,918 and \$1,045,187 for fiscal years 2010 and 2009.

The fiscal year 2010 decrease in revenues was due primarily to decreased State sources due to delayed payments from the State of Illinois. Local sources decreased from prior year due to the prior year reclassification of deferred revenue. Expenditures have increased from the prior year primarily due to the purchase of math and science supplies.

Budgetary Highlights:

The Regional Office of Education #28 annually adopts budgets for several funds. All grants' budgets are prepared by the Regional Office of Education #28 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Office's actual financial activity are included in the supplementary information of this report.

Capital Assets

Capital Assets of the Regional Office of Education #28 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #28 maintains an inventory of capital assets. In addition, the Regional Office of Education #28 has adopted a depreciation schedule which reflects the level of Net Governmental Activities Capital Assets of \$76,900 for fiscal year 2010. More detailed information about capital assets is available in Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the Office was aware of some existing circumstances that could significantly affect its financial health in the future:

- The interest rate on investments remains low and will continue to negatively impact interest earned.
- Several grants have remained near or at previous funding levels. In addition, the School Services funding levels have been reduced.
- The number of students served by the Regional Office of Education #28 is expected to remain approximately the same.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2010**

Contacting the Regional Office's Financial Management

The financial report is designed to provide the Regional Offices' citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional information, please contact the Regional Superintendent of the Regional Office of Education #28 at 107 South State Street, Atkinson, IL 61235.

BASIC FINANCIAL STATEMENTS

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
STATEMENT OF NET ASSETS
 June 30, 2010

<u>ASSETS</u>	<u>Primary Government Governmental Activities</u>
Current Assets:	
Cash and cash equivalents	\$ 1,403,094
Due from other governments:	
State	271,018
Federal	211,068
	<hr/>
Total Current Assets	1,885,180
	<hr/>
Noncurrent Assets:	
Capital assets, being depreciated, net	76,900
	<hr/>
Total Assets	\$ 1,962,080
	<hr/> <hr/>
 <u>LIABILITIES</u> 	
Current Liabilities:	
Cash overdraft	\$ 272,347
Accounts payable	237,515
Due to other governments:	
Local	101,730
Deferred revenue	134,139
	<hr/>
Total Current Liabilities	745,731
	<hr/>
 <u>NET ASSETS</u> 	
Investment in capital assets, net of related debt	76,900
Unrestricted	1,114,811
Restricted for teacher professional development	24,638
	<hr/>
Total Net Assets	\$ 1,216,349
	<hr/> <hr/>

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

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	<u>Expenses</u>	<u>Operating</u>	<u>Capital</u>	Primary Government	
		<u>Contributions</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Governmental</u>
Primary government:				<u>Governmental</u>	<u>Total</u>
Governmental activities:					
Instructional services:					
Salaries	\$ 501,524	\$ 424,694	\$ -0-	\$ (76,830)	\$ (76,830)
Employee benefits	149,338	129,430	-0-	(19,908)	(19,908)
Purchased services	331,291	236,118	-0-	(95,173)	(95,173)
Supplies and materials	266,913	237,229	-0-	(29,684)	(29,684)
Capital outlay	-0-	1,757	-0-	1,757	1,757
Other objects	-0-	-0-	-0-	-0-	-0-
Payments to other governmental units	716,356	710,104	-0-	(6,252)	(6,252)
Depreciation expense	22,584	-0-	-0-	(22,584)	(22,584)
Administrative:					
On-behalf payments	267,877	-0-	-0-	(267,877)	(267,877)
Total primary government	\$ 2,255,883	\$ 1,739,332	\$ -0-	(516,551)	(516,551)
General Revenues:					
Local sources				231,309	231,309
State sources				75,675	75,675
Interest income				17,482	17,482
On-behalf payments				267,877	267,877
Total general revenues				592,343	592,343
Loss on disposal of fixed assets				(14,325)	(14,325)
CHANGE IN NET ASSETS				61,467	61,467
NET ASSETS, BEGINNING OF YEAR				1,154,882	1,154,882
NET ASSETS, END OF YEAR				\$ 1,216,349	\$ 1,216,349

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

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2010

ASSETS

	General Fund	Education Fund	Nonmajor Funds	Total Governmental Funds
Cash and cash equivalents	\$ 137,441	\$ 1,226,823	\$ 38,830	\$ 1,403,094
Due from other governmental units	34,671	447,415	-0-	482,086
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 172,112	\$ 1,674,238	\$ 38,830	\$ 1,885,180

LIABILITIES

Cash overdraft	\$ -0-	\$ 272,347	\$ -0-	\$ 272,347
Accounts payable	11,052	226,463	-0-	237,515
Due to other governmental units	-0-	101,730	-0-	101,730
Deferred revenue	23,113	252,557	-0-	275,670
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	34,165	853,097	-0-	887,262

FUND BALANCES

Unreserved, reported in:				
General fund	137,947	-0-	-0-	137,947
Special revenue funds	-0-	821,141	38,830	859,971
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	137,947	821,141	38,830	997,918
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 172,112	\$ 1,674,238	\$ 38,830	\$ 1,885,180

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

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET ASSETS
 June 30, 2010

Total fund balances-governmental funds	\$	997,918
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore are not reported in the government funds.		76,900
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Because 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.		141,531
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Net assets of governmental activities	\$	<u>1,216,349</u>
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The accompanying notes are an integral part of the financial statements.

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2010

	<u>General</u> <u>Fund</u>	<u>Education</u> <u>Fund</u>	<u>Nonmajor</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES:				
Local sources	\$ 16,570	\$ 211,139	\$ 21,082	\$ 248,791
State sources	40,453	717,764	3,955	762,172
Federal sources	-0-	911,304	-0-	911,304
On-behalf payments	267,877	-0-	-0-	267,877
	<hr/>			
Total Revenues	324,900	1,840,207	25,037	2,190,144
<hr/>				
EXPENDITURES:				
Instructional Services:				
Salaries	24,317	477,207	-0-	501,524
Employee benefits	16,539	132,799	-0-	149,338
Purchased services	28,778	277,956	24,557	331,291
Supplies and materials	6,918	257,672	2,323	266,913
Payments to other governmental units	2,501	713,855	-0-	716,356
On-behalf payments	267,877	-0-	-0-	267,877
Capital outlay	1,757	2,357	-0-	4,114
	<hr/>			
Total Expenditures	348,687	1,861,846	26,880	2,237,413
<hr/>				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(23,787)	(21,639)	(1,843)	(47,269)
 OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-0-	18,482	-0-	18,482
Transfers to other funds	-0-	(18,482)	-0-	(18,482)
	<hr/>			
Total Other Financing Sources (Uses)	-0-	-0-	-0-	-0-
<hr/>				
NET CHANGE IN FUND BALANCE	(23,787)	(21,639)	(1,843)	(47,269)
 FUND BALANCES, BEGINNING OF YEAR				
	161,734	842,780	40,673	1,045,187
	<hr/>			
FUND BALANCES, END OF YEAR	\$ 137,947	\$ 821,141	\$ 38,830	\$ 997,918
	<hr/>			

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

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
 Year Ended June 30, 2010

Net change in fund balances \$ (47,269)

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

Governmental funds report capital outlays as expenditures
 while governmental activities report depreciation expense to
 allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	4,114
Depreciation expense	(22,584)
Loss on disposal of capital assets	(14,325)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	<u>141,531</u>
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Change in net assets of governmental activities	<u><u>\$ 61,467</u></u>
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The accompanying notes are an integral part of the financial statements.

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ <u>693,009</u>
 TOTAL ASSETS	 \$ <u><u>693,009</u></u>
 <u>LIABILITIES</u>	
Due to other governments	\$ <u>693,009</u>
 TOTAL LIABILITIES	 \$ <u><u>693,009</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education's (ROE) accounting policies conform to generally accepted accounting principles which are appropriate for local governmental units of this type.

A. Principles Used to Determine the Scope of the Reporting Entity

The Bureau/Henry/Stark Counties Regional Office of Education #28 was formed as a result of an Educational Service Region becoming a Regional Office of Education on August 7, 1995. The ROE operates under The School Code (105 ILCS 5/3 and 5/3A). Regional Office of Education #28 encompasses Bureau, Henry, and Stark Counties in Illinois. A Regional Superintendent of Schools serves as chief administrative officer of the ROE and is elected pursuant to 105 ILCS 5/3 and 5/3A of The School Code. The principal duties of the Regional Superintendent are to receive and distribute monies due to school districts from State and federal sources, as well as various other sources, to act as a support provider for the school districts' educational efforts, and 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 ROE's reporting entity includes all related organizations for which it exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

The ROE has developed criteria to determine whether outside agencies with activities which benefit the citizens of the ROE's geographic responsibility, including joint agreements which serve pupils from numerous school districts, should be included within its financial entity. The criteria include but are not limited to, whether the ROE 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 Film Library Fund is a joint agreement that has been determined to be a blended component unit. A blended component is an entity that is legally separate from the ROE, but whose operations are so intertwined with the ROE that it is, in substance, the same as the ROE. The ROE is the administrative agent for the Fund, and the Fund operates exclusively for the benefit of the ROE. The Fund is blended into the Special Revenue funds.

B. Basis of Presentation and Basis of Accounting

The financial activities of the Regional Office of Education #28 consist only of governmental activities. For its reporting purposes, the ROE has separate fund and government-wide financial statements and reconciles individual line items of fund financial data to government-wide data. A brief description of the ROE's government-wide and fund financial statements is as follows:

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation and Basis of Accounting (Continued)

Government-wide Statements: The Government-Wide Statement of Net Assets and Statement of Activities report the overall financial activity of the ROE. The financial activities of the ROE consist only of governmental activities, which are primarily supported by State, local and federal revenues.

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 at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the ROE gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. On an accrual basis, revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the ROE's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining funds are aggregated and reported in a single column.

Governmental Funds – The Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accounting records and reports made by ROE officials are maintained on the cash basis of accounting. Under this method, revenue is recorded when collected and expenditures are recorded when disbursements are made. For purposes of these financial statements, the accounting for all the funds has been converted to the modified accrual basis, as required by generally accepted accounting principles. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements.

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation and Basis of Accounting (Continued)

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 ROE; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Expenditures are recognized under the modified accrual basis of accounting when related fund liability is incurred.

Major Funds – Generally accepted accounting principles require that the general fund be reported as a major fund and that all other governmental funds whose assets, liabilities, revenues, or expenditures exceed 10% of the total for all governmental funds also be reported as major funds. Accordingly, the ROE administers the following major governmental funds:

General Funds – General Funds are the general operating funds of the ROE. These funds account for all financial resources except those required to be accounted for in another fund. The general fund accounts for the ROE's on-behalf payments from the State of Illinois and the counties to pay the salary and benefits of the Regional Superintendent, Assistant Regional Superintendent and clerical staff. The ROE maintains three separate funds to account for these resources. A description of the ROE's general funds are as follows:

Local Fund – To account for transition monies provided by the closing of the Educational Service Region.

Interest Office Expense Fund – To account for the interest income retained by the ROE from the Distributive Fund.

General Operations Fund – To account for monies from the State of Illinois for expenditures incurred providing program services to the various districts.

Education Fund – To account for grant funds administered by the Regional Office of Education. Revenue is provided by federal and State of Illinois grant funds.

Bureau County Step Ahead – To assist at-risk, non-traditional youth no longer attending school with additional education, training, and employment opportunities. This will be accomplished by providing a comprehensive program including both occupational and academic components.

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation and Basis of Accounting (Continued)

Education Fund – (Continued)

Henry County Step Ahead – To promote academic achievement, employability, leadership development skills, and occupational skills training for low income Henry County Youth aged 16-21 by helping youth obtain their GED through academic and work-based training and encouraging youth to become productive, contributing members of the community by acquiring the skills necessary to obtain unsubsidized employment and self-sufficiency.

Administrators Academy – A State grant to support professional development of administrators.

Gifted Education – To teach educators how to identify gifted and talented students in their own classrooms. The seminar will train educators to recognize the diverse needs of gifted children from a variety of backgrounds and will enable educators to design stimulating, differentiated curricula to meet the needs of the gifted student.

Truants Alternative Optional Education Program – Initiative focusing on truancy prevention, intervention, and remediation services. The program also provides access to vital resources in order to link students with unmet needs to the community services designed to meet those needs.

Paraprofessional – To provide training for teacher aides.

Regional Safe Schools – To serve eligible students who are under suspension, expulsion, or expelled and readmitted for administrative transfer to an alternative setting. The education objectives are to improve behavior, attendance, and to receive academic credit leading to graduation or return to their home school.

Salary – To account for grant money due to the counties for services provided.

Standards Aligned Classroom – A grant to support teacher teams working on alignment of a curriculum with standards.

McKinney Education for Homeless Children – The Homeless Youth Connection (HYC) provides services for the educational needs of 450 homeless PK-12 students in Rock Island, Bureau, Henry and Stark counties. The goal of the program is to ensure that homeless students receive the services they need to attend school on a regular basis despite being homeless.

Homeless Grant Enterprise – To ensure that homeless students receive the services they need to attend school on a regular basis despite being homeless.

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation and Basis of Accounting (Continued)

Education Fund – (Continued)

Language Arts – Funds to pay for Language Arts workshops.

Title IV 21st Century Community Learning Centers (Projects 07, 08 and 10) – Provide academic enrichment opportunities during the extended school day and extended school year. Through academic enrichment, students will receive support in developing and mastering their reading, writing, and math skills via additional learning opportunities, tutoring, and homework support.

Math – Development money for a summer program for math teachers.

Title I – Reading First Part B SEA Funds (Project 00) – Funding to support all Bureau/Henry/Stark districts and grades in reading initiatives and in public workshops.

Lab Tech – To help the Regional Office of Education in staying abreast of changing technology for the office.

Fine Arts – To provide instruction on cultural issues.

School Improvement – To provide state mandated services.

Early Childhood Block Grant Prekindergarten and Parental Training – To ensure that children start school ready to learn.

Early Childhood Block Grant Prevention Initiative and Parental Training – To nurture infant/child and family development.

Rural Education Achievement Program – To provide support to students in developing their reading, math and writing skills.

Math and Science Partnership – A collaborative effort between the ROE, Western Illinois University, and local high-needs LEAs to provide research-based professional development to educators in the areas of math and science while integrating 21st Century Learning Skills and technology resources.

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation and Basis of Accounting (Continued)

Education Fund – (Continued)

Reading First Enterprise – This program delivers professional development opportunities for K-3 teachers, K-12 special education teachers and administrators that address the essential components of reading instruction, scientifically-based instructional programs and materials, instructional strategies, and assessment.

District Services – To account for receipts from school districts for establishing and performing educational enhancing activities.

Regional Educational Support Providers – To account for reimbursements from school districts for consultant's expense.

American Recovery and Reinvestment Act – To account for the federal money distributed under the federal stimulus package.

Social Emotional Learning – To train pre-K staff on the pre-K social emotional learning standards established by the State of Illinois.

American Recovery and Reinvestment Act Gvmt – To account for the federal money distributed under the federal stimulus package.

English Language Learners – to provide professional development to teachers and administrators to better serve English language learners.

Teacher Mentoring and Mentoring Pilot Program – to train experienced teachers to be mentors to new teachers.

Science – to provide support for science teachers.

Nonmajor Funds – All nonmajor funds are aggregated and reported in a single column. The ROE administers the following nonmajor governmental funds.

Film Library Fund – to account for the maintenance of a video co-op for the benefit of the ROE's various school districts.

Institute Fund – This fund accounts for the ROE's stewardship of the assets held in trust for the benefit of the ROE's teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences and workshops.

General Educational Development Fund – to account for the ROE's administration of the GED Testing Program. Revenues are received from testing and diploma fees.

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation and Basis of Accounting (Continued)

Nonmajor Funds – (Continued)

Bus Driver Fund – to account for the ROE’s stewardship of the assets held in trust in connection with the Bus Driver Training Program.

Hearing Fund – to account for fees collected for expenditures incurred in publishing and filing petition requests.

Supervisory Fund – to account for monies from the State of Illinois for expenditures incurred providing supervisory services in the Counties.

All governmental funds are special revenue funds except for the General Fund. Special revenue funds are used to account for revenues from specific sources that are legally restricted to disbursements for specified purposes.

Fiduciary Fund Types – Agency Funds are used to account for assets held by the ROE in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The school districts within the ROE’s geographic responsibility have signed formal agreements which allow the ROE to retain any interest earned during the year. A description of the ROE’s fiduciary funds is as follows:

Distributive Fund – to account for the pass-through of State aid monies from the Regional Office of Education to the various school districts within the Region. At any given point in time, total fund assets are equally offset by related liabilities including amounts due to the parties for whom the assets are being held. Agency funds have no fund equity and do not involve measurement of revenues, expenditures, or expenses.

Distributive Interest Fund – to account for the pass-through of interest earned on the distributive fund checking account.

Governmental and Expendable Trust Funds – Measurement Focus

The financial statements of all governmental funds and expendable trust funds 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 in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budget and Budgetary Accounting

The ROE does not adopt, and is not legally required to adopt, a formal budget for all revenues and expenditures of the governmental funds. Certain programs administered by the ROE are subject to budget approval by the State of Illinois. These include the General Operations Fund, Truants Alternative and Optional Education, Regional Safe Schools, Title IV – 21st Century Community Learning Centers – Projects 07 and 08, McKinney Education for Homeless Children, Math and Science Partnerships, Title I - Reading First Part B SEA Funds, Early Childhood Block Grant Pre-K and Parental Training, Early Childhood Block Grant Prevention Initiative and Parental Training, Teacher Mentoring and Mentoring Pilot Program, English Language Learners, Gifted Education and the Film Library Fund.

D. Assets, Liabilities and Net Assets

Deposits and Investments

The ROE's cash and cash equivalents are considered to be demand deposits and short term investments. All investment income is recognized as revenue in the appropriate fund's Statement of Revenues, Expenditures and Changes in Fund Balance. Negative balances would be shown separately as overdrafts.

Receivables and Payables

Transactions between funds and other entities that are representative of the recognition of revenues or expenditures are referred to as "due to/from" the other funds or entities. "Other Funds" are funds managed by the ROE. "Other Governmental Units" include the Federal Government or political subdivisions of the State of Illinois.

Accounts receivable represents amounts due to the ROE at the end of the year that will be received in the next year. These are amounts due from local sources. Accounts payable represents amounts owed at the end of the year that will be paid in the next year. These are amounts due to vendors and others.

Prepaid Expenses

Amounts disbursed to pay liabilities of the future periods are recorded as prepaid expenses in the current period.

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets (Continued)

Capital Assets

Capital assets, which include equipment, are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$500 or more. Capital assets are recorded at historical costs if purchased.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight line method.

Deferred Revenue

Deferred revenue arises when resources are received by the ROE before it has a legal claim to them, as when monies are received prior to incurring qualifying expenditures (unearned). In subsequent periods, when both revenue recognition criteria are met, or when the ROE has a legal claim to the resources, revenue is recognized.

Net Assets

In the government-wide financial statements, equity is displayed in three components as follows:

Investment in capital assets – net of related debt – this category groups all capital assets into one component of net assets. Accumulated depreciation on these assets reduces this category.

Unrestricted net assets – this category represents the net assets of the ROE that are not restricted for any project or other purpose.

Restricted for teacher professional development – teacher registration fees are to be used to defray expenses connected with improving the technology necessary for the efficient processing of certificates as well as any expenses incidental to teacher institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers. All funds generated remain restricted until expended only on the aforementioned activities.

E. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010**

NOTE 2: DEPOSITS AND INVESTMENTS:

At June 30, 2010, the carrying amount of the Regional Office of Education #28's deposits was \$1,823,756 (net of cash overdrafts) and the bank balance was \$2,225,366.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, Bureau, Henry, Stark Counties Regional Office of Education #28's deposits may not be returned. Bureau, Henry, Stark Counties Regional Office of Education #28 does not have a deposit policy for custodial credit risk. As of June 30, 2010, all of Bureau, Henry, Stark Counties Regional Office of Education #28's deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in Bureau, Henry, Stark Counties Regional Office of Education #28's name.

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

	<u>Carrying Amount</u>
Cash – Primary Government	\$1,130,747
Cash – Agency	<u>693,009</u>
 Total	 <u>\$1,823,756</u>

NOTE 3: COMMON BANK ACCOUNT

The Regional Office of Education #28 does not maintain separate bank accounts for all funds. The accounting records being maintained show the portion of the common checking account balance attributable to each participating fund.

NOTE 4: DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units consists of the following at June 30, 2010:

Due from Illinois State Board of Education for unpaid portion of various programs:	
McKinney Education for Homeless Children	\$ 7,587
Truants Alternative/Optional Education Program	58,351
Math and Science Partnership	134,755
Social Emotional Learning	7,659
Rural Education Achievement Program	13,081
Bureau County Step Ahead	6,097
Henry County Step Ahead	12,419
Regional Safe Schools	72,310
Early Childhood Block Grant Pre-K and Parental Training	45,039
General Operations	34,671
Teacher Mentoring and Mentoring Pilot Program	76,313
Due from Boone/Winnebago ROE #4 - RESPRO District Services	<u>13,804</u>
 Total	 <u>\$482,086</u>

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 5: CAPITAL ASSETS

Capital asset activity during the 2010 fiscal year was as follows:

	Balance 07-01-09	Additions	Deletions	Balance 06-30-10
Equipment	\$ 339,307	\$ 4,114	\$ (16,750)	\$ 326,671
Videos	78,523	-0-	(78,523)	-0-
Less accumulated Depreciation	(308,135)	(22,584)	80,948	(249,771)
Total	\$ 109,695	\$ (18,470)	\$ 14,325	\$ 76,900

NOTE 6: DUE TO OTHER GOVERNMENTAL UNITS

Due to other governmental units consists of the following at June 30, 2010:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
Various school districts and agencies	Distributive	\$693,009
Bureau County	Salary	40,427
Winnebago/Boone ROE #4	District Services	61,303

NOTE 7: TRANSFERS

Fiscal year ended June 30, 2010, interfund transfers were:

<u>Fund</u>	<u>In</u>	<u>Out</u>
Education Fund		
District Services	\$18,482	\$ -0-
Regional Educational Support Providers	-0-	18,482
Total	\$18,482	\$ 18,482

NOTE 8: DEFICIT FUND BALANCES

The following funds have deficit fund balances at June 30, 2010:

<u>Fund</u>	<u>Balance</u>
Education Fund:	
Truants Alternative/Optional Education Program	\$(38,877)
Early Childhood Block Grant Pre-K and Parental Training	\$(19,318)
Teacher Mentoring and Mentoring Pilot Program	\$(11,993)

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 9: EMPLOYEE BENEFIT PLAN

Plan Description. The Regional Office of Education #28's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #28 plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, Regional Office of Education #28 Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require Regional Offices of Education to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education #28 contribution rate for calendar year 2009 was 9.51 percent of annual covered payroll. The Regional Office of Education #28 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. For 2009, Regional Office of Education #28's annual pension cost of \$42,452 for the Regular plan was equal to Regional Office of Education #28's required and actual contributions.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	42,452	100%	-0-
12/31/08	49,463	100%	-0-
12/31/07	37,757	100%	-0-

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, include (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of Regional Office of Education #28'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 15% corridor between the actuarial and market value of assets. Regional Office of Education #28's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007, valuation was 5 years.

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 9: EMPLOYEE BENEFIT PLAN (Continued)

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 91.73 percent funded. The actuarial accrued liability for benefits was \$464,784 and the actuarial value of assets was \$426,340, resulting in an underfunded actuarial accrued liability (UAAL) of \$38,444. The covered payroll (annual payroll of active employees covered by the plan) was \$446,396 and the ratio of the UAAL to the covered payroll was 9 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10 year basis.

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

The Regional Office of Education #28's employees who participate in the Teacher's Retirement System of the State of Illinois (TRS) are paid through Kewanee CUSD #229 and the Regional Office of Education #28 reimburses the school district for the payroll of these employees.

NOTE 10: ON-BEHALF PAYMENTS

Salaries of the Regional Superintendent and his first assistant are paid by the State of Illinois.

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

Regional Superintendent – salary	\$ 96,435
Regional Superintendent – benefits (includes state paid insurance)	19,738
Assistant Regional Superintendent – salary	86,791
Assistant Regional Superintendent – benefits (includes state paid insurance)	22,074
TRS on-behalf payments	<u>42,839</u>
Total on-behalf payments	<u>\$267,877</u>

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

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
Notes to the Financial Statements
June 30, 2010

NOTE 11: RISK MANAGEMENT

The Regional Office of Education #28 is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Regional Office has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with prior years. During the year ended June 30, 2010 and the two previous fiscal years, no settlement exceeded insurance coverage.

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS

The Regional Office of Education #28 has evaluated its potential other post employment benefits liability. Former employees who choose to retain their rights to health insurance through the Regional Office of Education #28 are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Regional Office of Education #28's health insurance plan. Therefore, there has been zero percent utilization and therefore no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Regional Office of Education #28 had no former employees for which the Regional Office of Education #28 was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Regional Office of Education #28 has not recorded any post employment benefit liability as of June 30, 2010.

NOTE 13: USE OF FUNDING SOURCES:

Under the terms of grant agreements, the ROE 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 resources available to finance the program. It is the policy of the ROE to first apply cost-reimbursement grant resources to such programs and then general revenues.

NOTE 14: NEW ACCOUNTING PRONOUNCEMENTS:

In 2010, Bureau/Henry/Stark Counties Regional Office of Education #28 adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The Regional Office of Education implemented these standards during the current year, however there was no significant impact of the implementation of No. 45, No. 51, No. 53 or No. 58 on the financial statements.

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

BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF FUNDING PROGRESS –
ILLINOIS MUNICIPAL RETIREMENT FUND (Unaudited)
 June 30, 2010

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)
12/31/09	\$426,340	\$464,784	\$38,444	91.73	\$446,396	8.61%
12/31/08	369,562	424,909	55,347	86.97	485,409	11.40%
12/31/07	377,749	410,594	32,845	92.00	394,951	8.32%

SUPPLEMENTAL INFORMATION

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND ACCOUNTS
 June 30, 2010

<u>ASSETS</u>	<u>General Operations</u>	<u>Local</u>	<u>Interest Office Expense</u>	<u>Total</u>
Cash and cash equivalents	\$ 33,704	\$ 60,157	\$ 43,580	\$ 137,441
Due from other governments	34,671	-0-	-0-	34,671
	<hr/>			
Total Assets	\$ 68,375	\$ 60,157	\$ 43,580	\$ 172,112
	<hr/>			
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable	\$ 11,052	\$ -0-	\$ -0-	\$ 11,052
Deferred revenue	23,113	-0-	-0-	23,113
	<hr/>			
Total Liabilities	34,165	-0-	-0-	34,165
	<hr/>			
FUND BALANCES:				
Fund balances:				
Unreserved	34,210	60,157	43,580	137,947
	<hr/>			
Total Fund Balances	34,210	60,157	43,580	137,947
	<hr/>			
Total Liabilities and Fund Balances	\$ 68,375	\$ 60,157	\$ 43,580	\$ 172,112
	<hr/>			

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
Year Ended June 30, 2010

	<u>General Operations</u>	<u>Local</u>	<u>Interest Office Expense</u>	<u>Total</u>
REVENUES:				
Local sources	\$ 3,334	\$ 1,324	\$ 11,912	\$ 16,570
State sources	40,453	-0-	-0-	40,453
On-behalf payments	267,877	-0-	-0-	267,877
	<hr/>			
Total Revenues	311,664	1,324	11,912	324,900
	<hr/>			
EXPENDITURES:				
Salaries	24,317	-0-	-0-	24,317
Employee benefits	16,539	-0-	-0-	16,539
Purchased services	17,776	-0-	11,002	28,778
Supplies and materials	6,918	-0-	-0-	6,918
Payments to other governmental units	2,501	-0-	-0-	2,501
Capital outlay	1,757	-0-	-0-	1,757
On-behalf payments	267,877	-0-	-0-	267,877
	<hr/>			
Total Expenditures	337,685	-0-	11,002	348,687
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,021)	1,324	910	(23,787)
	<hr/>			
FUND BALANCES, BEGINNING OF YEAR	60,231	58,833	42,670	161,734
	<hr/>			
FUND BALANCES, END OF YEAR	\$ 34,210	\$ 60,157	\$ 43,580	\$ 137,947
	<hr/>			

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
Year Ended June 30, 2010

	<u>General Operations Fund</u>			Variance Positive (Negative)
	<u>Budgeted Amounts</u>		Actual Amounts	
	Original	Final		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ 3,334	\$ 3,334
State sources	63,566	63,566	40,453	(23,113)
Federal sources	-0-	-0-	-0-	-0-
On-behalf payments	-0-	-0-	267,877	267,877
	<hr/>			
Total Revenues	63,566	63,566	311,664	248,098
<hr/>				
EXPENDITURES:				
Salaries	-0-	-0-	24,317	(24,317)
Employee benefits	-0-	-0-	16,539	(16,539)
Purchased services	11,500	11,500	17,776	(6,276)
Supplies and materials	5,250	5,250	6,918	(1,668)
Capital outlay	1,000	1,000	1,757	(757)
Other objects	500	500	-0-	500
Payments to other governmental units	45,316	45,316	2,501	42,815
On-behalf payments	-0-	-0-	267,877	(267,877)
	<hr/>			
Total Expenditures	63,566	63,566	337,685	(274,119)
<hr/>				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	(26,021)	<u>\$ (26,021)</u>
 FUND BALANCE, BEGINNING OF YEAR			 <u>60,231</u>	
 FUND BALANCE , END OF YEAR			 <u>\$ 34,210</u>	

**BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF ACCOUNTS - EDUCATION FUND ACCOUNTS**

June 30, 2010

<u>ASSETS</u>	Bureau County <u>Step Ahead</u>	Henry County <u>Step Ahead</u>	Administrators <u>Academy</u>	Gifted <u>Education</u>
Cash and cash equivalents	\$ -0-	\$ -0-	\$ 73,048	\$ 4,538
Due from other governmental units	6,097	12,419	-0-	-0-
Total Assets	\$ 6,097	\$ 12,419	\$ 73,048	\$ 4,538
 <u>LIABILITIES</u>				
Cash overdraft	\$ 3,641	\$ 6,869	\$ -0-	\$ -0-
Accounts payable	2,456	5,550	-0-	746
Due to other governments	-0-	-0-	-0-	-0-
Deferred revenue	-0-	-0-	-0-	3,792
Total Liabilities	6,097	12,419	-0-	4,538
 <u>FUND BALANCES</u>				
Unreserved (Deficit)				
Designated	-0-	-0-	73,048	-0-
Undesignated	-0-	-0-	-0-	-0-
Total Fund Balances(Deficit)	-0-	-0-	73,048	-0-
 Total Liabilities and Fund Balances	 \$ 6,097	 \$ 12,419	 \$ 73,048	 \$ 4,538

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF ACCOUNTS - EDUCATION FUND ACCOUNTS

June 30, 2010

<u>ASSETS</u>	Truants Alternative Optional Education Program	Para- Professional	Regional Safe Schools	Salary	Standards Aligned Classroom
Cash and cash equivalents	\$ -0-	\$ 5,386	\$ 294,131	\$ 40,427	\$ 21,116
Due from other governmental units	58,351	-0-	72,310	-0-	-0-
Total Assets	\$ 58,351	\$ 5,386	\$ 366,441	\$ 40,427	\$ 21,116
 <u>LIABILITIES</u>					
Cash overdraft	\$ 45,258	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Accounts payable	13,069	-0-	83,365	-0-	-0-
Due to other governments	-0-	-0-	-0-	40,427	-0-
Deferred revenue	38,901	-0-	48,206	-0-	-0-
Total Liabilities	97,228	-0-	131,571	40,427	-0-
 <u>FUND BALANCES</u>					
Unreserved (Deficit)					
Designated	(38,877)	5,386	234,870	-0-	21,116
Undesignated	-0-	-0-	-0-	-0-	-0-
Total Fund Balances(Deficit)	(38,877)	5,386	234,870	-0-	21,116
Total Liabilities and Fund Balances	\$ 58,351	\$ 5,386	\$ 366,441	\$ 40,427	\$ 21,116

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF ACCOUNTS - EDUCATION FUND ACCOUNTS

June 30, 2010

<u>ASSETS</u>	McKinney Education for Homeless Children	Homeless Grant Enterprise	Language Arts	Title IV 21st Century Community Learning Centers Project 07
Cash and cash equivalents	\$ -0-	\$ 1,418	\$ 56,368	\$ 29,729
Due from other governmental units	7,587	-0-	-0-	-0-
Total Assets	\$ 7,587	\$ 1,418	\$ 56,368	\$ 29,729
 <u>LIABILITIES</u>				
Cash overdraft	\$ 3,120	\$ -0-	\$ -0-	\$ -0-
Accounts payable	4,130	-0-	27	29,729
Due to other governments	-0-	-0-	-0-	-0-
Deferred revenue	269	-0-	-0-	-0-
Total Liabilities	7,519	-0-	27	29,729
 <u>FUND BALANCES</u>				
Unreserved (Deficit)				
Designated	68	1,418	56,341	-0-
Undesignated	-0-	-0-	-0-	-0-
Total Fund Balances(Deficit)	68	1,418	56,341	-0-
 Total Liabilities and Fund Balances	 \$ 7,587	 \$ 1,418	 \$ 56,368	 \$ 29,729

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF ACCOUNTS - EDUCATION FUND ACCOUNTS

June 30, 2010

<u>ASSETS</u>	Title IV 21st Century Community Learning Centers <u>Project 08</u>	Title IV 21st Century Community Learning Centers <u>Project 10</u>	<u>Math</u>	Title I Reading First Part B SEA Funds <u>Project 00</u>
Cash and cash equivalents	\$ 83,911	\$ 66,630	\$ 425	\$ 2,339
Due from other governmental units	-0-	-0-	-0-	-0-
Total Assets	\$ 83,911	\$ 66,630	\$ 425	\$ 2,339
 <u>LIABILITIES</u>				
Cash overdraft	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Accounts payable	10,443	15,472	-0-	-0-
Due to other governments	-0-	-0-	-0-	-0-
Deferred revenue	73,468	51,158	-0-	2,339
Total Liabilities	83,911	66,630	-0-	2,339
 <u>FUND BALANCES</u>				
Unreserved (Deficit)				
Designated	-0-	-0-	425	-0-
Undesignated	-0-	-0-	-0-	-0-
Total Fund Balances(Deficit)	-0-	-0-	425	-0-
Total Liabilities and Fund Balances	\$ 83,911	\$ 66,630	\$ 425	\$ 2,339

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF ACCOUNTS - EDUCATION FUND ACCOUNTS
 June 30, 2010

<u>ASSETS</u>	<u>Lab Tech</u>	<u>Fine Arts</u>	<u>School Improvement</u>	<u>Early Childhood Block Grant Pre-K and Parental Training</u>
Cash and cash equivalents	\$ 69,947	\$ 18,486	\$ 25,055	\$ -0-
Due from other governmental units	-0-	-0-	-0-	45,039
Total Assets	\$ 69,947	\$ 18,486	\$ 25,055	\$ 45,039
 <u>LIABILITIES</u>				
Cash overdraft	\$ -0-	\$ -0-	\$ -0-	\$ 44,939
Accounts payable	-0-	-0-	-0-	100
Due to other governments	-0-	-0-	-0-	-0-
Deferred revenue	-0-	-0-	-0-	19,318
Total Liabilities	-0-	-0-	-0-	64,357
 <u>FUND BALANCES</u>				
Unreserved (Deficit)				
Designated	69,947	18,486	25,055	(19,318)
Undesignated	-0-	-0-	-0-	-0-
Total Fund Balances(Deficit)	69,947	18,486	25,055	(19,318)
Total Liabilities and Fund Balances	\$ 69,947	\$ 18,486	\$ 25,055	\$ 45,039

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF ACCOUNTS - EDUCATION FUND ACCOUNTS

June 30, 2010

<u>ASSETS</u>	Early Childhood Block Grant Prevention Initiative and Parental Training	Rural Education Achievement Program	District Services	Regional Educational Support Providers
Cash and cash equivalents	\$ 3,462	\$ -0-	\$ 355,638	\$ -0-
Due from other governmental units	-0-	13,081	13,804	-0-
Total Assets	\$ 3,462	\$ 13,081	\$ 369,442	\$ -0-
 <u>LIABILITIES</u>				
Cash overdraft	\$ -0-	\$ 13,081	\$ -0-	\$ -0-
Accounts payable	349	-0-	5,398	-0-
Due to other governments	-0-	-0-	61,303	-0-
Deferred revenue	3,113	-0-	-0-	-0-
Total Liabilities	3,462	13,081	66,701	-0-
 <u>FUND BALANCES</u>				
Unreserved (Deficit)				
Designated	-0-	-0-	302,741	-0-
Undesignated	-0-	-0-	-0-	-0-
Total Fund Balances(Deficit)	-0-	-0-	302,741	-0-
Total Liabilities and Fund Balances	\$ 3,462	\$ 13,081	\$ 369,442	\$ -0-

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF ACCOUNTS - EDUCATION FUND ACCOUNTS

June 30, 2010

<u>ASSETS</u>	<u>Math and Science Partnership</u>	<u>Reading First Enterprise</u>	<u>American Recovery & Reinvestment Act</u>	<u>Social Emotional Learning</u>
Cash and cash equivalents	\$ -0-	\$ 2,355	\$ -0-	\$ 69,108
Due from other governmental units	134,755	-0-	-0-	7,659
Total Assets	\$ 134,755	\$ 2,355	\$ -0-	\$ 76,767
 <u>LIABILITIES</u>				
Cash overdraft	\$ 117,264	\$ -0-	\$ -0-	\$ -0-
Accounts payable	17,491	-0-	-0-	-0-
Due to other governments	-0-	-0-	-0-	-0-
Deferred revenue	-0-	-0-	-0-	-0-
Total Liabilities	134,755	-0-	-0-	-0-
 <u>FUND BALANCES</u>				
Unreserved (Deficit)				
Designated	-0-	2,355	-0-	76,767
Undesignated	-0-	-0-	-0-	-0-
Total Fund Balances(Deficit)	-0-	2,355	-0-	76,767
Total Liabilities and Fund Balances	\$ 134,755	\$ 2,355	\$ -0-	\$ 76,767

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF ACCOUNTS - EDUCATION FUND ACCOUNTS

June 30, 2010

<u>ASSETS</u>	American Recovery & Reinvestment Act Gvmt	English Language Learners	Teacher Mentoring and Mentoring Pilot Program	Science	<u>Total</u>
Cash and cash equivalents	\$ -0-	\$ -0-	\$ -0-	\$ 3,306	\$ 1,226,823
Due from other governmental units	-0-	-0-	76,313	-0-	447,415
Total Assets	\$ -0-	\$ -0-	\$ 76,313	\$ 3,306	\$ 1,674,238
 <u>LIABILITIES</u>					
Cash overdraft	\$ -0-	\$ -0-	38,175	\$ -0-	\$ 272,347
Accounts payable	-0-	-0-	38,138	-0-	226,463
Due to other governments	-0-	-0-	-0-	-0-	101,730
Deferred revenue	-0-	-0-	11,993	-0-	252,557
Total Liabilities	-0-	-0-	88,306	-0-	853,097
 <u>FUND BALANCES</u>					
Unreserved (Deficit)					
Designated	-0-	-0-	(11,993)	3,306	821,141
Undesignated	-0-	-0-	-0-	-0-	-0-
Total Fund Balances(Deficit)	-0-	-0-	(11,993)	3,306	821,141
Total Liabilities and Fund Balances	\$ -0-	\$ -0-	\$ 76,313	\$ 3,306	\$ 1,674,238

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	Bureau County <u>Step Ahead</u>	Henry County <u>Step Ahead</u>	Administrators <u>Academy</u>	Gifted <u>Education</u>	Truants Alternative Optional Education <u>Program</u>
REVENUES:					
Local sources	\$ -0-	\$ 78,913	\$ 9,911	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	70,711	68,075
Federal sources	47,453	-0-	-0-	-0-	-0-
Total Revenues	47,453	78,913	9,911	70,711	68,075
EXPENDITURES:					
Salaries	33,073	42,557	-0-	-0-	66,920
Employee benefits	6,720	13,096	-0-	3,689	16,946
Purchased services	6,388	11,022	13,572	2,562	10,464
Supplies and materials	1,272	9,566	61	30,307	2,104
Capital outlay	-0-	2,357	-0-	-0-	-0-
Payments to other governmental units	-0-	315	65	34,153	10,542
Total Expenditures	47,453	78,913	13,698	70,711	106,976
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-0-	-0-	(3,787)	-0-	(38,901)
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	-0-	-0-	-0-	-0-	-0-
Transfers to other funds	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	-0-	-0-	-0-	-0-	-0-
NET CHANGE IN FUND BALANCE	-0-	-0-	(3,787)	-0-	(38,901)
FUND BALANCES (DEFICIT) , BEGINNING OF YEAR	-0-	-0-	76,835	-0-	24
FUND BALANCES (DEFICIT), END OF YEAR	\$ -0-	\$ -0-	\$ 73,048	\$ -0-	\$ (38,877)

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	<u>Para- Professional</u>	<u>Regional Safe Schools</u>	<u>Salary</u>	<u>Standards Aligned Classroom</u>
REVENUES:				
Local sources	\$ 2,532	\$ 2,615	\$ -0-	\$ 307
State sources	-0-	221,577	-0-	-0-
Federal sources	-0-	-0-	-0-	-0-
	<hr/>			
Total Revenues	2,532	224,192	-0-	307
	<hr/>			
EXPENDITURES:				
Salaries	-0-	-0-	-0-	-0-
Employee benefits	-0-	-0-	-0-	-0-
Purchased services	-0-	22,753	705	-0-
Supplies and materials	2,025	-0-	-0-	-0-
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	-0-	216,521	-0-	-0-
	<hr/>			
Total Expenditures	2,025	239,274	705	-0-
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	507	(15,082)	(705)	307
	<hr/>			
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-0-	-0-	-0-	-0-
Transfers to other funds	-0-	-0-	-0-	-0-
	<hr/>			
Total Other Financing Sources (Uses)	-0-	-0-	-0-	-0-
	<hr/>			
NET CHANGE IN FUND BALANCE	507	(15,082)	(705)	307
	<hr/>			
FUND BALANCES (DEFICIT) , BEGINNING OF YEAR	4,879	249,952	705	20,809
	<hr/>			
FUND BALANCES (DEFICIT), END OF YEAR	\$ 5,386	\$ 234,870	\$ -0-	\$ 21,116
	<hr/>			

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	McKinney Education for Homeless <u>Children</u>	Homeless Grant <u>Enterprise</u>	Language <u>Arts</u>	Title IV 21st Century Community Learning Centers <u>Project 07</u>
REVENUES:				
Local sources	\$ -0-	\$ 2,020	\$ 14,847	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	30,349	-0-	-0-	124,200
	<hr/>			
Total Revenues	30,349	2,020	14,847	124,200
	<hr/>			
EXPENDITURES:				
Salaries	10,123	-0-	300	43,291
Employee benefits	3,613	-0-	23	8,121
Purchased services	1,627	-0-	1,813	5,511
Supplies and materials	14,795	602	908	12,078
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	191	-0-	390	55,199
	<hr/>			
Total Expenditures	30,349	602	3,434	124,200
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-0-	1,418	11,413	-0-
	<hr/>			
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-0-	-0-	-0-	-0-
Transfers to other funds	-0-	-0-	-0-	-0-
	<hr/>			
Total Other Financing Sources (Uses)	-0-	-0-	-0-	-0-
	<hr/>			
NET CHANGE IN FUND BALANCE	-0-	1,418	11,413	-0-
	<hr/>			
FUND BALANCES (DEFICIT) , BEGINNING OF YEAR	68	-0-	44,928	-0-
	<hr/>			
FUND BALANCES (DEFICIT), END OF YEAR	\$ 68	\$ 1,418	\$ 56,341	\$ -0-
	<hr/>			

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	Title IV 21st Century Community Learning Centers <u>Project 08</u>	Title IV 21st Century Community Learning Centers <u>Project 10</u>	<u>Math</u>	Title I Reading First Part B SEA Funds <u>Project 00</u>
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ 425	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	221,534	159,201	-0-	3,512
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	221,534	159,201	425	3,512
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES:				
Salaries	131,019	49,006	-0-	-0-
Employee benefits	47,765	13,023	-0-	-0-
Purchased services	23,980	8,107	-0-	3,167
Supplies and materials	11,719	5,265	-0-	345
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	7,051	83,800	-0-	-0-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	221,534	159,201	-0-	3,512
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-0-	-0-	425	-0-
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-0-	-0-	-0-	-0-
Transfers to other funds	-0-	-0-	-0-	-0-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-0-	-0-	-0-	-0-
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	-0-	-0-	425	-0-
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES (DEFICIT) , BEGINNING OF YEAR	-0-	-0-	-0-	-0-
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES (DEFICIT), END OF YEAR	\$ -0-	\$ -0-	\$ 425	\$ -0-
	<hr/>	<hr/>	<hr/>	<hr/>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	<u>Lab Tech</u>	<u>Fine Arts</u>	<u>School Improvement</u>	<u>Early Childhood Block Grant Pre-K and Parental Training</u>
REVENUES:				
Local sources	\$ 18,590	\$ 217	\$ 630	\$ -0-
State sources	-0-	-0-	-0-	114,335
Federal sources	-0-	-0-	-0-	-0-
Total Revenues	18,590	217	630	114,335
EXPENDITURES:				
Salaries	-0-	-0-	-0-	47,978
Employee benefits	-0-	-0-	-0-	10,478
Purchased services	963	-0-	-0-	12,906
Supplies and materials	-0-	-0-	-0-	9,467
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	230	-0-	-0-	52,824
Total Expenditures	1,193	-0-	-0-	133,653
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,397	217	630	(19,318)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-0-	-0-	-0-	-0-
Transfers to other funds	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	-0-	-0-	-0-	-0-
NET CHANGE IN FUND BALANCE	17,397	217	630	(19,318)
FUND BALANCES (DEFICIT) , BEGINNING OF YEAR	52,550	18,269	24,425	-0-
FUND BALANCES (DEFICIT) , END OF YEAR	\$ 69,947	\$ 18,486	\$ 25,055	\$ (19,318)

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	Early Childhood Block Grant Prevention Initiative and Parental Training	Rural Education Achievement Program	District Services	Regional Educational Support Providers
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ 35,221	\$ -0-
State sources	32,552	-0-	-0-	-0-
Federal sources	-0-	25,387	135,100	-0-
	<hr/>			
Total Revenues	32,552	25,387	170,321	-0-
	<hr/>			
EXPENDITURES:				
Salaries	22,200	-0-	900	-0-
Employee benefits	4,125	-0-	69	-0-
Purchased services	3,632	-0-	56,054	-0-
Supplies and materials	510	-0-	11,928	-0-
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	2,085	25,387	104,134	-0-
	<hr/>			
Total Expenditures	32,552	25,387	173,085	-0-
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-0-	-0-	(2,764)	-0-
	<hr/>			
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-0-	-0-	18,482	-0-
Transfers to other funds	-0-	-0-	-0-	(18,482)
	<hr/>			
Total Other Financing Sources (Uses)	-0-	-0-	18,482	(18,482)
	<hr/>			
NET CHANGE IN FUND BALANCE	-0-	-0-	15,718	(18,482)
	<hr/>			
FUND BALANCES (DEFICIT) , BEGINNING OF YEAR	-0-	-0-	287,023	18,482
	<hr/>			
FUND BALANCES (DEFICIT), END OF YEAR	\$ -0-	\$ -0-	\$ 302,741	\$ -0-
	<hr/> <hr/>			

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	<u>Math and Science Partnership</u>	<u>Reading First Enterprise</u>	<u>American Recovery & Reinvestment Act</u>	<u>Social Emotional Learning</u>
REVENUES:				
Local sources	\$ -0-	\$ 3,602	\$ -0-	\$ 41,196
State sources	-0-	-0-	-0-	-0-
Federal sources	134,755	-0-	20,860	-0-
Total Revenues	<u>134,755</u>	<u>3,602</u>	<u>20,860</u>	<u>41,196</u>
EXPENDITURES:				
Salaries	-0-	-0-	-0-	-0-
Employee benefits	-0-	-0-	-0-	-0-
Purchased services	6,632	1,029	-0-	4,286
Supplies and materials	115,506	218	-0-	781
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	12,617	-0-	20,860	-0-
Total Expenditures	<u>134,755</u>	<u>1,247</u>	<u>20,860</u>	<u>5,067</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-0-</u>	<u>2,355</u>	<u>-0-</u>	<u>36,129</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-0-	-0-	-0-	-0-
Transfers to other funds	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET CHANGE IN FUND BALANCE	<u>-0-</u>	<u>2,355</u>	<u>-0-</u>	<u>36,129</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>40,638</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ -0-</u>	<u>\$ 2,355</u>	<u>\$ -0-</u>	<u>\$ 76,767</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	American Recovery & Reinvestment Act Gvmt	English Language Learners	Teacher Mentoring and Mentoring Pilot Program	Science	Total
REVENUES:					
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ 113	\$ 211,139
State sources	-0-	-0-	210,514	-0-	717,764
Federal sources	6,953	2,000	-0-	-0-	911,304
Total Revenues	<u>6,953</u>	<u>2,000</u>	<u>210,514</u>	<u>113</u>	<u>1,840,207</u>
EXPENDITURES:					
Salaries	-0-	-0-	29,840	-0-	477,207
Employee benefits	-0-	-0-	5,131	-0-	132,799
Purchased services	-0-	1,388	79,395	-0-	277,956
Supplies and materials	-0-	367	27,848	-0-	257,672
Capital outlay	-0-	-0-	-0-	-0-	2,357
Payments to other governmental units	6,953	245	80,293	-0-	713,855
Total Expenditures	<u>6,953</u>	<u>2,000</u>	<u>222,507</u>	<u>-0-</u>	<u>1,861,846</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-0-</u>	<u>-0-</u>	<u>(11,993)</u>	<u>113</u>	<u>(21,639)</u>
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	-0-	-0-	-0-	-0-	18,482
Transfers to other funds	-0-	-0-	-0-	-0-	(18,482)
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET CHANGE IN FUND BALANCE	<u>-0-</u>	<u>-0-</u>	<u>(11,993)</u>	<u>113</u>	<u>(21,639)</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,193</u>	<u>842,780</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (11,993)</u>	<u>\$ 3,306</u>	<u>\$ 821,141</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	<u>Gifted Education</u>			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	74,503	74,503	70,711	(3,792)
Federal sources	-0-	-0-	-0-	-0-
 Total Revenues	<u>74,503</u>	<u>74,503</u>	<u>70,711</u>	<u>(3,792)</u>
 EXPENDITURES:				
Salaries	-0-	-0-	-0-	-0-
Employee benefits	-0-	-0-	3,689	(3,689)
Purchased services	19,750	2,750	2,562	188
Supplies and materials	9,815	32,815	30,307	2,508
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	44,938	38,938	34,153	4,785
 Total Expenditures	<u>74,503</u>	<u>74,503</u>	<u>70,711</u>	<u>3,792</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
 FUND BALANCE , BEGINNING OF YEAR			<u>-0-</u>	
 FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	<u>Truants Alternative Optional Education Program</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	<u>Variance</u> Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	106,976	106,976	68,075	(38,901)
Federal sources	-0-	-0-	-0-	-0-
	<hr/>			
Total Revenues	106,976	106,976	68,075	(38,901)
	<hr/>			
EXPENDITURES:				
Salaries	-0-	-0-	66,920	(66,920)
Employee benefits	-0-	-0-	16,946	(16,946)
Purchased services	18,400	18,400	10,464	7,936
Supplies and materials	1,865	1,865	2,104	(239)
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	86,711	86,711	10,542	76,169
	<hr/>			
Total Expenditures	106,976	106,976	106,976	-0-
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -0-	\$ -0-	(38,901)	\$ (38,901)
	<hr/>			
FUND BALANCE , BEGINNING OF YEAR			<u>24</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (38,877)</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	<u>Regional Safe Schools</u>			Variance Positive (Negative)
	<u>Budgeted Amounts</u>		Actual Amounts	
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ 2,615	\$ 2,615
State sources	144,622	144,622	221,577	76,955
Federal sources	-0-	-0-	-0-	-0-
	<hr/>			
Total Revenues	144,622	144,622	224,192	79,570
	<hr/>			
EXPENDITURES:				
Salaries	-0-	-0-	-0-	-0-
Employee benefits	-0-	-0-	-0-	-0-
Purchased services	23,290	23,290	22,753	537
Supplies and materials	-0-	-0-	-0-	-0-
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	121,332	121,332	216,521	(95,189)
	<hr/>			
Total Expenditures	144,622	144,622	239,274	(94,652)
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	(15,082)	<u>\$ (15,082)</u>
	<hr/>			
FUND BALANCE , BEGINNING OF YEAR			<u>249,952</u>	
	<hr/>			
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 234,870</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

<u>McKinney Education for Homeless Children</u>				
	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	Original	Final		Positive (Negative)
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	30,348	30,348	30,349	1
	<hr/>			
Total Revenues	30,348	30,348	30,349	1
	<hr/>			
EXPENDITURES:				
Salaries	-0-	-0-	10,123	(10,123)
Employee benefits	-0-	-0-	3,613	(3,613)
Purchased services	2,350	2,350	1,627	723
Supplies and materials	15,689	15,689	14,795	894
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	12,309	12,309	191	12,118
	<hr/>			
Total Expenditures	30,348	30,348	30,349	(1)
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
	<hr/>			
FUND BALANCE , BEGINNING OF YEAR			<u>68</u>	
	<hr/>			
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 68</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Positive</u>
				<u>(Negative)</u>
<u>Title IV 21st Century Community Learning Centers-07</u>				
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	124,200	124,200	124,200	-0-
Total Revenues	124,200	124,200	124,200	-0-
EXPENDITURES:				
Salaries	-0-	-0-	43,291	(43,291)
Employee benefits	-0-	-0-	8,121	(8,121)
Purchased services	7,000	7,000	5,511	1,489
Supplies and materials	10,605	10,605	12,078	(1,473)
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	106,595	106,595	55,199	51,396
Total Expenditures	124,200	124,200	124,200	-0-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>-0-</u>	<u>\$ -0-</u>
FUND BALANCE , BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	<u>Title IV 21st Century Community Learning Centers-08</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	262,500	262,500	221,534	(40,966)
	<hr/>			
Total Revenues	262,500	262,500	221,534	(40,966)
	<hr/>			
EXPENDITURES:				
Salaries	-0-	76,000	131,019	(55,019)
Employee benefits	-0-	30,674	47,765	(17,091)
Purchased services	19,750	25,457	23,980	1,477
Supplies and materials	18,133	18,133	11,719	6,414
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	224,617	112,236	7,051	105,185
	<hr/>			
Total Expenditures	262,500	262,500	221,534	40,966
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
	<hr/>			
FUND BALANCE , BEGINNING OF YEAR			<u>-0-</u>	
	<hr/>			
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

Title IV, Part B
21st Century Community
Learning Centers Project 10

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	210,361	210,361	159,201	(51,160)
Total Revenues	210,361	210,361	159,201	(51,160)
EXPENDITURES:				
Salaries	-0-	-0-	49,006	(49,006)
Employee benefits	-0-	-0-	13,023	(13,023)
Purchased services	11,375	11,375	8,107	3,268
Supplies and materials	11,500	11,500	5,265	6,235
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	187,486	187,486	83,800	103,686
Total Expenditures	210,361	210,361	159,201	51,160
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>-0-</u>	<u>\$ -0-</u>
FUND BALANCE , BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

Title I - Reading First
Part B SEA Funds Project 00

	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	Original	Final		Positive (Negative)
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	11,703	11,703	3,512	(8,191)
Total Revenues	<u>11,703</u>	<u>11,703</u>	<u>3,512</u>	<u>(8,191)</u>
EXPENDITURES:				
Salaries	-0-	-0-	-0-	-0-
Employee benefits	-0-	-0-	-0-	-0-
Purchased services	7,635	7,635	3,167	4,468
Supplies and materials	4,068	4,068	345	3,723
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	-0-	-0-	-0-	-0-
Total Expenditures	<u>11,703</u>	<u>11,703</u>	<u>3,512</u>	<u>8,191</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
FUND BALANCE , BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	Early Childhood Block Grant Pre-K and Parental Training			Variance
	Budgeted Amounts		Actual	Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	135,227	135,227	114,335	(20,892)
Federal sources	-0-	-0-	-0-	-0-
Total Revenues	<u>135,227</u>	<u>135,227</u>	<u>114,335</u>	<u>(20,892)</u>
EXPENDITURES:				
Salaries	-0-	-0-	47,978	(47,978)
Employee benefits	-0-	-0-	10,478	(10,478)
Purchased services	16,125	16,125	12,906	3,219
Supplies and materials	11,227	11,227	9,467	1,760
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	107,875	107,875	52,824	55,051
Total Expenditures	<u>135,227</u>	<u>135,227</u>	<u>133,653</u>	<u>1,574</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(19,318)</u>	<u>\$ (19,318)</u>
FUND BALANCE , BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u><u>\$(19,318)</u></u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	Early Childhood Block Grant Prevention Initiative and Parental Training			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	38,553	38,553	32,552	(6,001)
Federal sources	-0-	-0-	-0-	-0-
	<hr/>			
Total Revenues	38,553	38,553	32,552	(6,001)
	<hr/>			
EXPENDITURES:				
Salaries	-0-	-0-	22,200	(22,200)
Employee benefits	-0-	-0-	4,125	(4,125)
Purchased services	4,300	4,300	3,632	668
Supplies and materials	1,650	1,650	510	1,140
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	32,603	32,603	2,085	30,518
	<hr/>			
Total Expenditures	38,553	38,553	32,552	6,001
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
FUND BALANCE , BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

<u>Math and Science Partnership</u>				
	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	Original	Final		Positive (Negative)
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	179,853	179,853	134,755	(45,098)
Total Revenues	<u>179,853</u>	<u>179,853</u>	<u>134,755</u>	<u>(45,098)</u>
EXPENDITURES:				
Salaries	-0-	-0-	-0-	-0-
Employee benefits	-0-	-0-	-0-	-0-
Purchased services	21,565	21,565	6,632	14,933
Supplies and materials	122,375	122,375	115,506	6,869
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	35,913	35,913	12,617	23,296
Total Expenditures	<u>179,853</u>	<u>179,853</u>	<u>134,755</u>	<u>45,098</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
FUND BALANCE , BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	<u>English Language Learners</u>			
	<u>Budgeted Amounts</u>		Actual	Variance
	<u>Original</u>	<u>Final</u>	Amounts	Positive (Negative)
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	-0-	-0-	-0-	-0-
Federal sources	2,000	2,000	2,000	-0-
	<hr/>			
Total Revenues	2,000	2,000	2,000	-0-
	<hr/>			
EXPENDITURES:				
Salaries	-0-	-0-	-0-	-0-
Employee benefits	-0-	-0-	-0-	-0-
Purchased services	1,475	1,475	1,388	87
Supplies and materials	270	270	367	(97)
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	255	255	245	10
	<hr/>			
Total Expenditures	2,000	2,000	2,000	-0-
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	<u>\$ -0-</u>
	<hr/>			
FUND BALANCE , BEGINNING OF YEAR			<u>-0-</u>	
	<hr/>			
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ -0-</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2010

	<u>Teacher Mentoring and Mentoring Pilot Program</u>			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	160,803	160,803	210,514	49,711
Federal sources	-0-	-0-	-0-	-0-
Total Revenues	<u>160,803</u>	<u>160,803</u>	<u>210,514</u>	<u>49,711</u>
EXPENDITURES:				
Salaries	-0-	-0-	29,840	(29,840)
Employee benefits	-0-	-0-	5,131	(5,131)
Purchased services	71,350	71,350	79,395	(8,045)
Supplies and materials	14,000	14,000	27,848	(13,848)
Capital outlay	-0-	-0-	-0-	-0-
Payments to other governmental units	75,453	75,453	80,293	(4,840)
Total Expenditures	<u>160,803</u>	<u>160,803</u>	<u>222,507</u>	<u>(61,704)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	<u>\$ -0-</u>	(11,993)	<u>\$ (11,993)</u>
FUND BALANCE , BEGINNING OF YEAR			<u>-0-</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (11,993)</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2010

<u>ASSETS</u>	Film Library Fund	Institute Fund	General Educational Development Fund	Bus Driver Fund	Hearing Fund	Supervisory Fund	<u>Total</u>
Cash and cash equivalents	\$ -0-	\$ 24,638	\$ 1,832	\$ 7,821	\$ 1,013	\$ 3,526	\$ 38,830
Due from other governmental unit	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Assets	\$ -0-	\$ 24,638	\$ 1,832	\$ 7,821	\$ 1,013	\$ 3,526	\$ 38,830
 <u>LIABILITIES</u>							
Accounts payable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Deferred revenue	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Liabilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-
 <u>FUND BALANCES</u>							
Unreserved	-0-	24,638	1,832	7,821	1,013	3,526	38,830
Total Fund Balances	-0-	24,638	1,832	7,821	1,013	3,526	38,830
Total Liabilities and Fund Balances	\$ -0-	\$ 24,638	\$ 1,832	\$ 7,821	\$ 1,013	\$ 3,526	\$ 38,830

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2010

	Film Library Fund	Institute Fund	General Educational Development Fund	Bus Driver Fund	Hearing Fund	Supervisory Fund	Total
REVENUES:							
Local sources	\$ 42	\$ 12,806	\$ 6,365	\$ 1,869	\$ -0-	\$ -0-	\$ 21,082
State sources	-0-	-0-	-0-	955	-0-	3,000	3,955
Total Revenues	42	12,806	6,365	2,824	-0-	3,000	25,037
EXPENDITURES:							
Purchased services	10,712	5,815	5,197	1,337	96	1,400	24,557
Supplies and materials	-0-	1,000	1,314	9	-0-	-0-	2,323
Capital outlay	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Payments to other governmental units	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Expenditures	10,712	6,815	6,511	1,346	96	1,400	26,880
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,670)	5,991	(146)	1,478	(96)	1,600	(1,843)
FUND BALANCES, BEGINNING OF YEAR	10,670	18,647	1,978	6,343	1,109	1,926	40,673
FUND BALANCES, END OF YEAR	\$ -0-	\$ 24,638	\$ 1,832	\$ 7,821	\$ 1,013	\$ 3,526	\$ 38,830

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
BUDGETARY COMPARISON SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2010

	<u>Film Library Fund</u>			Variance Positive (Negative)
	<u>Budgeted Amounts</u>		Actual Amounts	
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ 500	\$ 500	\$ 42	\$ (458)
State sources	-0-	-0-	-0-	-0-
Federal sources	-0-	-0-	-0-	-0-
	<hr/>			
Total Revenues	500	500	42	(458)
<hr/>				
EXPENDITURES:				
Purchased services	10,000	10,000	10,712	(712)
Supplies and materials	500	500	-0-	500
Capital outlay	500	500	-0-	500
Other objects	100	100	-0-	100
Payments to other governmental units	-0-	-0-	-0-	-0-
	<hr/>			
Total Expenditures	11,100	11,100	10,712	388
<hr/>				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (10,600)</u>	<u>\$ (10,600)</u>	(10,670)	<u>\$ (70)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>10,670</u>	
FUND BALANCE, END OF YEAR			<u>\$ -0-</u>	

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
 June 30, 2010

	Distributive Fund	Distributive Interest Fund	Total
ASSETS			
Cash and cash equivalents	\$ <u>676,420</u>	\$ <u>16,589</u>	\$ <u>693,009</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other governmental units	\$ <u>676,420</u>	\$ <u>16,589</u>	\$ <u>693,009</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
 June 30, 2010

	<u>Balance,</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2010</u>
DISTRIBUTIVE FUND				
ASSETS				
Cash and cash equivalents	\$ 621,901	\$ 48,213,933	\$ 48,159,414	\$ 676,420
Due from other governments	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets	<u>\$ 621,901</u>	<u>\$ 48,213,933</u>	<u>\$ 48,159,414</u>	<u>\$ 676,420</u>
LIABILITIES				
Due to other governmental units	<u>\$ 621,901</u>	<u>\$ 48,213,933</u>	<u>\$ 48,159,414</u>	<u>\$ 676,420</u>
 DISTRIBUTIVE INTEREST FUND				
ASSETS				
Cash and cash equivalents	<u>\$ 16,591</u>	<u>\$ 4,871</u>	<u>\$ 4,873</u>	<u>\$ 16,589</u>
LIABILITIES				
Due to other governmental units	<u>\$ 16,591</u>	<u>\$ 4,871</u>	<u>\$ 4,873</u>	<u>\$ 16,589</u>
 TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 638,492	\$ 48,218,804	\$ 48,164,287	\$ 693,009
Due from other governments	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets	<u>\$ 638,492</u>	<u>\$ 48,218,804</u>	<u>\$ 48,164,287</u>	<u>\$ 693,009</u>
LIABILITIES				
Due to other governmental units	<u>\$ 638,492</u>	<u>\$ 48,218,804</u>	<u>\$ 48,164,287</u>	<u>\$ 693,009</u>

BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2010

SCHOOL DISTRICT	General State Aid 3001	Hold Harmless 3002	Transition Assistance 3099	Education Fax. Tuition 3100	Education Extraordinary 3105	Education Personnel 3110
BRADFORD CUSD #1	\$ 788,463				\$ 34,602	\$ 31,762
MALDEN G.D. SD #84						
CHERRY G.S. SD #92						
LADD G.S. SD #94	594,868			\$ 24,573	21,387	15,875
STARK COUNTY CUSD #100	1,977,422			382	89,536	84,848
DEPUE UNIT SD #103						
PRINCETON ELEM SD #115						
LEPERTOWN G.S. DIST. #175	95,701	\$ 52,900	\$ 9,229		10,429	16,469
COLONA ELEM SD #190	1,609,543		44,558		50,553	65,883
ORION CUSD #223	2,062,246		32,162	12,272	104,035	98,691
GALVA CUSD #224	1,832,436				64,967	80,341
ALWOOD CUSD #225	888,114				46,699	52,765
ANNAWAN CUSD #226	825,600		16,107	13,743	38,980	33,389
CAMBRIDGE CUSD #227	1,456,017				52,831	67,595
GENESEO CUSD #228	5,440,436			23,144	271,857	216,913
KEWANEE CUSD #229	7,248,942			9,003	206,907	75,599
WETHERSFIELD CUSD #230	1,896,850				68,445	36,480
NEPONSET C.C. SD #307	210,097	53,462	407		11,613	1,561
BRUCE DENNISON, REG SUPT #28	125,161					
BUREAU VALLEY CUSD #340						
PRINCETON H.S. SD #500	986,242	80,718		34	68,118	128,399
	<u>\$ 28,038,138</u>	<u>\$ 187,080</u>	<u>\$ 102,463</u>	<u>\$ 83,151</u>	<u>\$ 1,140,959</u>	<u>\$ 1,006,570</u>

BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2010

SCHOOL DISTRICT	Orphanage Group 3120	Education Summer School 3145	Bilingual Education 3305	Gifted Education 3350	Illinois Free Lunch 3360
BRADFORD CUSD #1	\$ 15,062				\$ 1,788
MALDEN G.D. SD #84					
CHERRY G.S. SD #92					
LADD G.S. SD #94					735
STARK COUNTY CUSD #100					5,511
DEPUE UNIT SD #103					
PRINCETON ELEM SD #115					
LEPERTOWN G.S. DIST. #175					1,663
COLONA ELEM SD #190		\$ 1,476			4,665
ORION CUSD #223	12,117				2,004
GALVA CUSD #224	23,036				3,203
ALWOOD CUSD #225	8,975	322			2,793
ANNAWAN CUSD #226					1,416
CAMBRIDGE CUSD #227	7,427				3,508
GENESEO CUSD #228	13,950	1,039			6,415
KEWANEE CUSD #229	49,812		\$ 46,184		24,358
WETHERSFIELD CUSD #230					4,008
NEPONSET C.C. SD #307					1,596
BRUCE DENNISON, REG SUPT #28				\$ 74,503	
BUREAU VALLEY CUSD #340					
PRINCETON H.S. SD #500	1,242				2,568
	<u>\$ 131,621</u>	<u>\$ 2,837</u>	<u>\$ 46,184</u>	<u>\$ 74,503</u>	<u>\$ 66,231</u>

BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 Year Ended June 30, 2010

SCHOOL DISTRICT	Breakfast Incentive 3365	Driver Education 3370	Transportation Regular 3500	Transportation Special Education 3510	School Bus Driver Training 3520
BRADFORD CUSD #1			\$ 97,656	\$ 50,933	
MALDEN G.D. SD #84					
CHERRY G.S. SD #92					
LADD G.S. SD #94			35,446	62,913	
STARK COUNTY CUSD #100	\$ 66	\$ 12,779	144,551	87,366	
DEPUE UNIT SD #103					
PRINCETON ELEM SD #115					
LEPERTOWN G.S. DIST. #175	151		15,351		
COLONA ELEM SD #190			4	21,476	
ORION CUSD #223		12,219	261,912	54,215	
GALVA CUSD #224	185	4,095	118,781	157,864	
ALWOOD CUSD #225	11	7,178	129,377	59,119	
ANNAWAN CUSD #226		5,070	92,557	24,893	
CAMBRIDGE CUSD #227	42	4,750	83,590	46,768	
GENESE0 CUSD #228	501	30,440	790,045	212,202	
KEWANEE CUSD #229	1,907	23,112	257,603	111,299	
WETHERSFIELD CUSD #230	305	5,453	46,794	58,115	
NEPONSET C.C. SD #307	426		49,544	185	
BRUCE DENNISON, REG SUPT #28					\$ 955
BUREAU VALLEY CUSD #340					
PRINCETON H.S. SD #500	55	27,653	68,124	44,192	
	<u>\$ 3,649</u>	<u>\$ 132,749</u>	<u>\$ 2,191,335</u>	<u>\$ 991,540</u>	<u>\$ 955</u>

BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 Year Ended June 30, 2010

<u>SCHOOL DISTRICT</u>	<u>Truants Alternative Education 3695</u>	<u>Regional Safe Schools 3696</u>	<u>Early Childhood Block Grant 3705</u>	<u>Reading Improvement 3715</u>	<u>ROE/ISC Operations 3730</u>
BRADFORD CUSD #1			\$ 76,101	\$ 4,347	
MALDEN G.D. SD #84			17,984		
CHERRY G.S. SD #92					
LADD G.S. SD #94				3,272	
STARK COUNTY CUSD #100			85,893	11,634	
DEPUE UNIT SD #103					
PRINCETON ELEM SD #115					
LEPERTOWN G.S. DIST. #175			49,605	771	
COLONA ELEM SD #190			96,681	10,291	
ORION CUSD #223			82,462	11,716	
GALVA CUSD #224			79,261	8,579	
ALWOOD CUSD #225			84,076	5,241	
ANNAWAN CUSD #226			98,815		
CAMBRIDGE CUSD #227			61,314		
GENESEO CUSD #228			176,900	31,169	
KEWANEE CUSD #229			205,008	29,396	
WETHERSFIELD CUSD #230			105,872	9,116	
NEPONSET C.C. SD #307			51,419	1,879	
BRUCE DENNISON, REG SUPT #28	\$ 91,893	\$ 135,068	171,049		\$ 62,749
BUREAU VALLEY CUSD #340			29,330		
PRINCETON H.S. SD #500					
	<u>\$ 91,893</u>	<u>\$ 135,068</u>	<u>\$ 1,471,770</u>	<u>\$ 127,411</u>	<u>\$ 62,749</u>

BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 Year Ended June 30, 2010

<u>SCHOOL DISTRICT</u>	<u>Supervisory Expense 3745</u>	<u>ADA Safety Ed Block Grant 3775</u>	<u>Summer Bridges 3825</u>	<u>Arts and Foreign Assistance 3962</u>	<u>Mentoring 3982</u>
BRADFORD CUSD #1		\$ 1,385			
MALDEN G.D. SD #84					
CHERRY G.S. SD #92					
LADD G.S. SD #94		884			
STARK COUNTY CUSD #100		3,417			
DEPUE UNIT SD #103					
PRINCETON ELEM SD #115					
LEPERTOWN G.S. DIST. #175		319	\$ 21,000		
COLONA ELEM SD #190		1,917			
ORION CUSD #223		4,626			
GALVA CUSD #224		2,567			
ALWOOD CUSD #225		1,896			
ANNAWAN CUSD #226		1,681			
CAMBRIDGE CUSD #227		2,159			
GENESEO CUSD #228		11,493			\$ 40,172
KEWANEE CUSD #229		7,383		\$ 41,551	
WETHERSFIELD CUSD #230		2,729			
NEPONSET C.C. SD #307		449			
BRUCE DENNISON, REG SUPT #28	\$ 3,000				200,786
BUREAU VALLEY CUSD #340					
PRINCETON H.S. SD #500		2,855			
	<u>\$ 3,000</u>	<u>\$ 45,760</u>	<u>\$ 21,000</u>	<u>\$ 41,551</u>	<u>\$ 240,958</u>

BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2010

<u>SCHOOL DISTRICT</u>	<u>Children's Mental Health 3990</u>	<u>Special Appropriations 3999</u>	<u>Lunch, Brkfst and Milk 4210</u>	<u>Lunch Special Milk Program 4215</u>	<u>Breakfast Program 4220</u>
BRADFORD CUSD #1			\$ 33,982		\$ 5,058
MALDEN G.D. SD #84					
CHERRY G.S. SD #92					
LADD G.S. SD #94			21,710		
STARK COUNTY CUSD #100	\$ 25,250		130,631		34,227
DEPUE UNIT SD #103					
PRINCETON ELEM SD #115					
LEEPERTOWN G.S. DIST. #175		8,013	17,553		12,087
COLONA ELEM SD #190			79,711		27,278
ORION CUSD #223			80,915		
GALVA CUSD #224			84,333		10,054
ALWOOD CUSD #225			53,857		9,937
ANNAWAN CUSD #226			46,218		
CAMBRIDGE CUSD #227	10,500		69,080	1,263	18,965
GENESE0 CUSD #228			254,211		52,915
KEWANEE CUSD #229	10,500	3,868	500,180		162,948
WETHERSFIELD CUSD #230	10,500		93,505		18,580
NEPONSET C.C. SD #307			21,004		11,349
BRUCE DENNISON, REG SUPT #28					
BUREAU VALLEY CUSD #340					
PRINCETON H.S. SD #500			58,792		8,815
	<u>\$ 56,750</u>	<u>\$ 11,881</u>	<u>\$ 1,545,682</u>	<u>\$ 1,263</u>	<u>\$ 372,213</u>

BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 Year Ended June 30, 2010

<u>SCHOOL DISTRICT</u>	<u>Summer Food 4225</u>	<u>Title I 4300</u>	<u>Reading First 4337</u>	<u>Drug Free Schools 4400</u>	<u>21st Century Community Learning 4421</u>
BRADFORD CUSD #1		\$ 46,431		\$ 917	
MALDEN G.D. SD #84					
CHERRY G.S. SD #92					
LADD G.S. SD #94				323	
STARK COUNTY CUSD #100		107,021		2,408	
DEPUE UNIT SD #103					
PRINCETON ELEM SD #115					
LEPERTOWN G.S. DIST. #175				49	
COLONA ELEM SD #190		125,879		2,101	
ORION CUSD #223		34,155		1,950	
GALVA CUSD #224		72,166		1,644	
ALWOOD CUSD #225		44,138		1,210	
ANNAWAN CUSD #226		38,009		525	
CAMBRIDGE CUSD #227		97,000		1,724	
GENESEO CUSD #228		192,026			
KEWANEE CUSD #229	\$ 38,258	520,499		8,981	
WETHERSFIELD CUSD #230		74,195		1,649	
NEPONSET C.C. SD #307		48,678		509	
BRUCE DENNISON, REG SUPT #28			\$ 5,851		\$ 584,690
BUREAU VALLEY CUSD #340					
PRINCETON H.S. SD #500		82,888		1,527	
	<u>\$ 38,258</u>	<u>\$ 1,483,085</u>	<u>\$ 5,851</u>	<u>\$ 25,517</u>	<u>\$ 584,690</u>

BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2010

SCHOOL DISTRICT	Education Room & Board 4625	American Recovery & Reinvestment Act 4850	American Recovery & Reinvestment Act 4851	American Recovery & Reinvestment Act 4870	Title III Language 4909	Learn & Serve America 4910
BRADFORD CUSD #1		\$ 131,667	\$ 18,626	\$ 43,831		
MALDEN G.D. SD #84						
CHERRY G.S. SD #92						
LADD G.S. SD #94	\$ 639	99,226		33,034		
STARK COUNTY CUSD #100		330,300	26,967	109,867		
DEPUE UNIT SD #103						
PRINCETON ELEM SD #115						
LEPERTOWN G.S. DIST. #175		16,086		5,345		
COLONA ELEM SD #190	1,651	268,765	34,824	89,519		
ORION CUSD #223	84	343,966		114,405		
GALVA CUSD #224		305,757	32,804	101,788		
ALWOOD CUSD #225		148,232	13,364	49,250		
ANNAWAN CUSD #226		137,745		45,760		
CAMBRIDGE CUSD #227		243,100	32,722	80,958		\$ 351
GENESEO CUSD #228	54,982	907,376	82,144	302,016		
KEWANEE CUSD #229	138,977	1,211,681	80,742	403,511	\$ 33,200	
WETHERSFIELD CUSD #230		316,607	19,047	105,382		
NEPONSET C.C. SD #307		35,195	15,168	11,678		
BRUCE DENNISON, REG SUPT #28		20,860		6,953		
BUREAU VALLEY CUSD #340						
PRINCETON H.S. SD #500		164,698	30,708	54,679		
	<u>\$ 196,333</u>	<u>\$ 4,681,261</u>	<u>\$ 387,116</u>	<u>\$ 1,557,976</u>	<u>\$ 33,200</u>	<u>\$ 351</u>

BUREAU /HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
Year Ended June 30, 2010

SCHOOL DISTRICT	Renovation IDEA & Tech 4932	Technology 4861	Equipment Assistance 4863	Literacy Challenge 4971	Other Federal Programs 4999	TOTAL
BRADFORD CUSD #1	\$ 14,687			\$ 399		\$ 1,397,697
MALDEN G.D. SD #84						17,984
CHERRY G.S. SD #92						-0-
LADD G.S. SD #94	7,356					922,241
STARK COUNTY CUSD #100	41,797	\$ 239,920		972		3,552,765
DEPUE UNIT SD #103						-0-
PRINCETON ELEM SD #115						-0-
LEPERTOWN G.S. DIST. #175	5,057					337,778
COLONA ELEM SD #190	42,896					2,579,671
ORION CUSD #223	20,778					3,346,930
GALVA CUSD #224	29,331			622		3,013,814
ALWOOD CUSD #225	9,706					1,616,260
ANNAWAN CUSD #226	8,995			289		1,429,792
CAMBRIDGE CUSD #227	39,016			1,639		2,382,319
GENESEO CUSD #228	68,907					9,181,253
KEWANEE CUSD #229	115,001			4,893		11,571,303
WETHERSFIELD CUSD #230	36,622			631		2,910,885
NEPONSET C.C. SD #307			\$ 8,598	5,318		540,135
BRUCE DENNISON, REG SUPT #28					\$ 2,000	1,485,518
BUREAU VALLEY CUSD #340						29,330
PRINCETON H.S. SD #500	30,437			995		1,843,739
	<u>\$ 470,586</u>	<u>\$ 239,920</u>	<u>\$ 8,598</u>	<u>\$ 15,758</u>	<u>\$ 2,000</u>	<u>\$ 48,159,414</u>

BUREAU/HENRY/STARK COUNTIES REGIONAL OFFICE OF EDUCATION #28
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010

Federal Grantor/Pass Through Grantor Program or Cluster Title	CFDA Number	Project #	Expenditures 7/1/09-6/30/10
US Dept. of Education			
Rural Education			
Rural Education Achievement Award	84.358	S358A085329	<u>25,387</u>
Pass thru Grantor: IL State Board of Education			
Twenty-First Century Community Learning Centers			
Twenty-First Century Community Learning Centers	84.287	10-4421-07	124,200
Twenty-First Century Community Learning Centers	84.287	09-4421-08	56,373
Twenty-First Century Community Learning Centers	84.287	10-4421-08	165,192
Twenty-First Century Community Learning Centers	84.287	10-4421-10	<u>159,201</u>
Total Twenty-First Century Community Learning Centers			(M) <u>504,966</u>
Reading First State Grants			
Title I - Reading First, Part B SEA Funds	84.357	10-4337-00	<u>3,512</u>
Math & Science Partnerships			
	84.366	10-4936-10	<u>134,755</u>
English Language Acquisition Grants			
English Language Learners (ROE ELL)	84.365	10-4999-PD	<u>2,000</u>
State Fiscal Stabilization Fund (SFSF) - Recovery Act Cluster			
ARRA-General State Aid - Education SFSF	84.394	10-4850-93	20,860
ARRA-General State Aid - Government SFSF	84.397	10-4870-93	<u>6,953</u>
Total State Fiscal Stabilization Fund - Recovery Act Cluster			<u>27,813</u>
Pass thru Grantor: Lee / Ogle Regional Office of Education #47			
Education for Homeless Children and Youth			
McKinney Education for Homeless Children	84.196	10-4920-00	<u>30,349</u>
Pass thru Grantor: Boone / Winnebago Regional Office of Education #4			
Title I - Grants to Local Educational Agencies			
Title I - RESPRO	84.010	06-15	<u>103,326</u>
Improving Teacher Quality State Grants			
Title II - RESPRO	84.367	06-16	<u>31,774</u>
Total US Dept. of Education			<u>863,882</u>
US Dept. of Labor			
Pass thru Grantor: Business Employment Skills Team, Inc.			
Workforce Investment Act (WIA) Youth Activities			
WIA - Bureau County Step Ahead Program	17.259	OCEO #08-681012	<u>47,453</u>
Total Federal Expenditures			<u>\$ 911,335</u>

(M) - Program was audited as a major program

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

**BUREAU/HENRY/STARK COUNTIES
REGIONAL OFFICE OF EDUCATION #28
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Bureau/Henry/Stark Counties Regional Office of Education #28 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 in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: DESCRIPTION OF MAJOR FEDERAL PROGRAM

The Title IV – 21st Century Community Learning Center program is designed to provide academic enrichment opportunities during the extended school day and extended school year. Through academic enrichment, students will receive support in developing and mastering their reading, writing, and math skills via additional learning opportunities, and homework support.

NOTE 3: SUB-RECIPIENTS

None

NOTE 4: NON-CASH ASSISTANCE

None

NOTE 5: AMOUNT OF INSURANCE

None

NOTE 6: LOANS OR LOAN GUARANTEES OUTSTANDING

None