

State of Illinois
CLAY/ CRAWFORD/JASPER
LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
FINANCIAL AUDIT
For the Year Ended June 30, 2011

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
TABLE OF CONTENTS
JUNE 30, 2011

TABLE OF CONTENTS

	<u>PAGE</u>
Agency Officials	1
Financial Report Summary	2-3
Financial Statement Report Summary	4
 FINANCIAL SECTION	
Independent Auditor’s Report	5-6
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7-8
Schedule of Findings and Responses	
Section I - Summary of Auditor’s Results.....	9
Section II - Financial Statement Findings	10
Summary Schedule of Prior Audit Findings.....	11
Management’s Discussion and Analysis	12a-12g
 BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets.....	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet - Governmental Funds	15
Reconciliation of the Governments Funds Balance Sheet to the Statement of Net Assets - Governmental Funds.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds.....	18
Statement of Net Assets - Proprietary Fund	19
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund	20
Statement of Cash Flows - Proprietary Fund.....	21
Statement of Fiduciary Net Assets - Fiduciary Fund.....	22

Notes to the Financial Statements	23-45
---	-------

REQUIRED SUPPLEMENTARY INFORMATION

Illinois Municipal Retirement Fund Schedule of Funding Progress	46
---	----

OTHER SUPPLEMENTAL INFORMATION

Combining Schedule of Accounts General Fund	47
--	----

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts	48
--	----

Combining Schedule of Accounts Education Fund.....	49-50
---	-------

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Education Fund Accounts.....	51-52
---	-------

Budgetary Comparison Schedules

Education Fund	
Early Childhood Block Grant.....	53
Early Childhood - Preschool for All.....	54
Gifted Education.....	55
McKinney Education for Homeless Children	56
Regional Safe Schools	57
ROE/ISC Operations	58
Technology for Success.....	59
Title I - Reading First Part B SEA.....	60
Title II - Teacher Quality - Leadership Grant.....	61
Truants Alternative/Optional Education.....	62

Combining Balance Sheet Non-major Special Revenue Funds	63
--	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds	64
---	----

Combining Statement of Fiduciary Net Assets Agency Funds	65
---	----

Combining Statement of Changes in Assets and Liabilities Agency Funds	66
--	----

Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund	67-68
---	-------

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
JUNE 30, 2011

OFFICIALS

Regional Superintendent
(Current, Acting Effective May 1, 2011)

Mr. Monte Newlin

Regional Superintendent
(During the Audit Period, Acting Effective
July 1, 2010 through March 15, 2011)

Ms. Carol S. Steinman

Assistant Regional Superintendent (Current)

No Current Assistant Regional
Superintendent

Assistant Regional Superintendent
(During the Audit Period, Acting Effective
July 1, 2010 through July 31, 2011)

Mr. Andy Julian

Offices are located at:

CLAY
P.O. Box 97
Louisville, IL 62858

CRAWFORD
301 S. Cross, Suite 11
Robinson, IL 62454

JASPER
204 W. Washington, Suite 3
Newton, IL 62448

LAWRENCE
1100 State St.
Lawrenceville, IL 62439

RICHLAND
103 W. Main
Olney, IL 62450

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
JUNE 30, 2011

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

The auditors' reports 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	0	0
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	0	1

SUMMARY OF FINDINGS AND RESPONSES

Item No. Page Description Finding Type

FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

None

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

None

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
JUNE 30, 2011

FINANCIAL REPORT SUMMARY (Concluded)

EXIT CONFERENCE

An informal exit conference was held on September 14, 2011. There were no audit findings to discuss. Attending were Monte Newlin, Regional Superintendent of Schools, Crystal Smith, Controller, and Tami Knight, Partner, Kemper CPA Group LLP.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
JUNE 30, 2011

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Clay/Crawford/Jasper/Lawrence/Richland Counties Regional Office of Education #12 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #12'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, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #12, as of and for the year ended June 30, 2011, which collectively comprise the Regional Office of Education #12's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #12'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 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #12, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Regional Office of Education #12 adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on the any of Regional Office of Education #12's governmental funds' assets or liabilities nor was there any effect to the total amount of any of Regional Office of Education #12's governmental fund balances as of and for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2011 on our consideration of the Regional Office of Education #12'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 12a through 12g and 46 are not a required part of the basic financial statements but are supplementary 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 supplementary 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 Regional Office of Education #12's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules and Schedule of Disbursements to School District Treasurer's and Other Entities – Distributive Fund 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.

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
December 19, 2011

INDEPENDENT AUDITOR'S 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #12, as of and for the year ended June 30, 2011, which collectively comprise the Regional Office of Education #12's basic financial statements and have issued our report thereon dated December 19, 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

Management of the Regional Office of Education #12 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Regional Office of Education #12'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 Regional Office of Education #12's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Regional Office of Education #12's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #12's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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, and Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
December 19, 2011

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 SCHEDULE OF FINDINGS AND RESPONSES
 JUNE 30, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
● Material weakness(es) identified?	No
● Significant deficiency(ies) identified that are not considered to be material weakness(es)?	No
● Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
● Material weakness(es) identified?	N/A
● Significant deficiency(ies) identified that are not considered to be material weakness(es)?	N/A
Type of auditor's report issued on compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	N/A
Identification of major programs:	
CFDA Number(s)	Name of Federal Program or Cluster
N/A	N/A
Dollar threshold used to distinguish between Type A and Type B programs:	N/A
Auditee qualified as a low-risk auditee?	N/A

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no audit findings for the year ended June 30, 2011.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
SCHEDULE OF FINDINGS AND RESPONSES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
--------------------	------------------	-----------------------

There were no audit findings for the year ended June 30, 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

The Regional Office of Education #12 (ROE #12) for the counties of Clay, Crawford, Jasper, Lawrence and Richland 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, 2011. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements that follow.

2011 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$530,384 from \$844,168 in FY10 to \$1,374,552 in FY11. Revenues from local sources, state sources and on-behalf payments increased. The increase in state sources was primarily due to the inclusion of General State Aid revenue in the General Fund for FY11. These revenues were classified as Special Revenue Funds in FY10. General Fund expenditures increased by \$239,605 from \$860,046 in FY10 to \$1,099,651 in FY11. Salaries and benefits, purchased services, supplies and materials and on-behalf payments all increased. Again, the majority of these increases were due to the reclassification of General State Aid expenditures as General Fund expenditures rather than Special Revenue Fund expenditures.
- Within the Governmental Funds, the Special Revenue Funds revenue increased by \$16,126 from \$1,763,577 in FY10 to \$1,779,703. Revenues from state source decreased due to the reclassification of General State Aid revenue to General Fund revenues. However, increases in funding from other grants offset those decreases. The Special Revenue Funds expenditures decreased by \$154,920 from \$1,735,969 in FY10 to \$1,581,049 in FY11. Expenditures for salaries and benefits and purchased services decreased while supplies and materials increased in FY11. Most of the decreases were due to General State Aid expenditures being included as General Fund expenditures rather than Special Revenue Fund expenditures.
- During fiscal year 2011 the Regional Office of Education #12 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which required certain programs and funds to be reclassified and the restatement of beginning fund balances as detailed in Note 13 to the financial statements. Because of these reclassifications the fund analysis is not comparable between fiscal year 2010 and fiscal year 2011.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

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.

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 #12 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 or 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 non-funded mandates need to be considered.

The Government-wide financial statements present all of the Office's activities as governmental and business-type activities. Local, State and federal monies finance most of these activities.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Reporting the Office as a Whole (Concluded)

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 that 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 #12 established other funds to control and manage money for particular purposes.

The Office has three kinds 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 fund 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. Proprietary funds are used to report the same functions presented as business-type activities in the Government-wide financial statements, only in more detail.

The proprietary funds' required financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses, and Changes in Fund Net Assets and a Statement of Cash Flows.

3. Fiduciary funds are used to account for assets held by the Regional Office of Education #12 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

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

A summary reconciliation between the Government-wide financial statements and the fund financial statements follows the fund financial statements.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2011

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one indicator of the financial position of the Regional Office. The net assets at the end of FY11 totaled \$1,651,054. At the end of FY10, the net assets were \$1,396,043. The analysis that follows provides a summary of the Office's net assets at June 30, 2011 and 2010.

CONDENSED STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current assets	\$ 1,601,267	\$ 1,493,752	\$ 51,335	\$ 42,980	\$ 1,652,602	\$ 1,536,732
Capital assets, net	42,992	60,176	-	-	42,992	60,176
Total assets	<u>1,644,259</u>	<u>1,553,928</u>	<u>51,335</u>	<u>42,980</u>	<u>1,695,594</u>	<u>1,596,908</u>
Current liabilities	44,449	200,640	91	225	44,540	200,865
Total liabilities	<u>44,449</u>	<u>200,640</u>	<u>91</u>	<u>225</u>	<u>44,540</u>	<u>200,865</u>
Net assets:						
Invested in capital assets	42,992	60,176	-	-	42,992	60,176
Restricted for educational purposes	94,110	84,824	-	-	94,110	84,824
Unrestricted, restated	1,462,708	1,208,288	51,244	42,755	1,513,952	1,251,043
Total net assets	<u>\$ 1,599,810</u>	<u>\$ 1,353,288</u>	<u>\$ 51,244</u>	<u>\$ 42,755</u>	<u>\$ 1,651,054</u>	<u>\$ 1,396,043</u>

The Regional Office of Education's net assets increased \$255,011 from FY10 to FY11. Governmental activities net assets increased net assets by \$246,522. Business-type activities net assets increased by \$8,489. In addition, net assets related to the Teacher Institute Fund are considered restricted for teacher professional development.

The following analysis shows the changes in net assets for the years ended June 30, 2011 and 2010.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2011

Government-Wide Financial Analysis (Concluded)

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program revenues:						
Operating grants and contributions	\$ 1,518,796	\$ 1,522,540	\$ -	\$ -	\$ 1,518,796	\$ 1,522,540
General revenues:						
Local sources	585,422	444,212	-	-	585,422	444,212
State sources	402,807	359,562	-	-	402,807	359,562
Federal sources	-	89,065	-	-	-	89,065
On-behalf payments	427,619	411,977	-	-	427,619	411,977
Loss on disposal of assets	-	(2,574)	-	-	-	(2,574)
Charges for services	-	-	39,429	59,120	39,429	59,120
Interest	9,762	11,128	4	58	9,766	11,186
Total revenues	<u>2,944,406</u>	<u>2,835,910</u>	<u>39,433</u>	<u>59,178</u>	<u>2,983,839</u>	<u>2,895,088</u>
Expenses:						
Programs expenses:						
Salaries and benefits	1,429,404	1,423,834	-	3,953	1,429,404	1,427,787
Purchased services	533,245	641,675	29,588	29,840	562,833	671,515
Supplies and materials	259,549	106,508	1,344	1,091	260,893	107,599
Other objects	5,344	12,021	12	-	5,356	12,021
Payments to other governments	20,000	-	-	-	20,000	-
Depreciation	22,723	29,821	-	-	22,723	29,821
Administrative expenses:						
On-behalf payments - state	427,619	411,977	-	-	427,619	411,977
Total expenses	<u>2,697,884</u>	<u>2,625,836</u>	<u>30,944</u>	<u>34,884</u>	<u>2,728,828</u>	<u>2,660,720</u>
Changes in net assets	246,522	210,074	8,489	24,294	255,011	234,368
Net assets, beginning of year	<u>1,353,288</u>	<u>1,143,214</u>	<u>42,755</u>	<u>18,461</u>	<u>1,396,043</u>	<u>1,161,675</u>
Net assets, end of year	<u>\$ 1,599,810</u>	<u>\$ 1,353,288</u>	<u>\$ 51,244</u>	<u>\$ 42,755</u>	<u>\$ 1,651,054</u>	<u>\$ 1,396,043</u>

Financial Analysis of the Regional Office of Education #12 Funds

As previously noted, the Regional Office of Education #12 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Financial Analysis of the Regional Office of Education #12 Funds (Concluded)

The Office's Governmental Funds reported combined fund balances of \$1,556,818 in FY11 and \$1,073,501 in FY10. The primary reason for the increase in combined fund balances in FY11 was due to the Regional Office's efforts to keep costs down. The Regional Office has tried to keep purchased services and salaries and benefits as low as possible while still providing necessary services to the public.

Governmental Fund Highlights

Revenues for governmental activities were \$2,944,406 and expenditures were \$2,697,884. The Regional Office of Education #12 experienced an increase in revenues and expenditures during FY11.

Special Projects revenues and expenditures increased in FY11.

In the Office Fund, revenues and expenditures for on-behalf payments increased.

Education Fund revenues increased slightly from FY10. Total Education Fund expenditures decreased during FY11. Salaries and benefits and purchased services expenditures decreased while supplies and materials increased.

Proprietary Fund Highlights

Revenues for proprietary activities were \$39,433 and expenses were \$30,944. Revenues from workshops decreased during FY11 due to fewer workshops and fewer attendees. Expenses for salaries and benefits were eliminated during FY11.

Budgetary Highlights

The ROE #12 annually adopts budgets for certain grants, which are submitted to the State Board of Education. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. Over the course of the year, the ROE #12 amended several of its grant budgets to reflect adjustments in revenue and expenditures associated with changes in funding from the federal and State sources or for additional services needed and provided to the local school districts. A schedule showing the original and final grant budget amounts compared to the ROE's actual financial activity is included in the supplementary information section of this report on pages 53 through 62.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Capital Assets

Capital Assets of the Regional Office of Education #12 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #12 maintains an inventory of capital assets that has accumulated over time. The decrease for FY11 came as a result of disposing of several equipment items during the year. In addition, the Regional Office of Education #12 has adopted a depreciation schedule that reflects the level of capital assets, net of accumulated depreciation.

Economic Factors and Next Year's Budget

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

- The State of Illinois Foundation level used in the calculation of General State Aid remains at \$6,119 per student.
- ROE #12 will not be receiving any funding in FY12 for Gifted Education, Title I-Reading First Part B SEA, Accountability Liaison Project or Title II-Teacher Quality-Leadership Grant.
- FY12 funding for Technology for Success will be 83% of FY11 funding.
- FY12 funding for Early Childhood will be 94% of FY11 funding.
- FY12 funding for Truants Alternative/Optional Education will be increased by 7%.
- FY12 funding for Regional Safe Schools was cut by \$366.
- ROE #12 anticipates the continued delay in grant funding payments from the State. This delay will continue to cause a significant financial hardship.

Contacting the Regional Office's Financial Management

This 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 financial information, please contact the Regional Superintendent of the Regional Office of Education #12, 103 W. Main Street, Olney, IL 62450.

BASIC FINANCIAL STATEMENTS

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,092,483	\$ 20,439	\$ 1,112,922
Due (to) from other funds	(29,396)	29,396	-
Due from other governments			
Local	1,301	1,500	2,801
State	521,906	-	521,906
Federal	9,113	-	9,113
Accounts receivable	4,992	-	4,992
Prepaid expenses	868	-	868
Total current assets	<u>1,601,267</u>	<u>51,335</u>	<u>1,652,602</u>
Noncurrent assets:			
Capital assets, net	42,992	-	42,992
TOTAL ASSETS	<u>1,644,259</u>	<u>51,335</u>	<u>1,695,594</u>
LIABILITIES			
Current liabilities:			
Accounts payable	44,449	91	44,540
TOTAL LIABILITIES	<u>44,449</u>	<u>91</u>	<u>44,540</u>
NET ASSETS			
Invested in capital assets	42,992	-	42,992
Restricted for educational purposes	94,110	-	94,110
Unrestricted	1,462,708	51,244	1,513,952
TOTAL NET ASSETS	<u>\$ 1,599,810</u>	<u>\$ 51,244</u>	<u>\$ 1,651,054</u>

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instructional services:						
Salaries and benefits	\$ 1,429,404	\$ -	\$ 939,035	\$ (490,369)	\$ -	\$ (490,369)
Purchased services	533,245	-	313,939	(219,306)	-	(219,306)
Supplies and materials	259,549	-	238,856	(20,693)	-	(20,693)
Other objects	5,344	-	1,427	(3,917)	-	(3,917)
Depreciation	22,723	-	-	(22,723)	-	(22,723)
Capital outlay	-	-	5,539	5,539	-	5,539.00
Payments to other governments	20,000	-	20,000	-	-	-
Administrative:						
On-behalf payments - State	427,619	-	-	(427,619)	-	(427,619)
Total governmental activities	<u>2,697,884</u>	<u>-</u>	<u>1,518,796</u>	<u>(1,179,088)</u>	<u>-</u>	<u>(1,179,088)</u>
Business-type activities:						
Operating	30,944	39,429	-	-	8,485	8,485
Total business-type activities	<u>30,944</u>	<u>39,429</u>	<u>-</u>	<u>-</u>	<u>8,485</u>	<u>8,485</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,728,828</u>	<u>\$ 39,429</u>	<u>\$ 1,518,796</u>	<u>(1,179,088)</u>	<u>8,485</u>	<u>(1,170,603)</u>
GENERAL REVENUES						
Local sources				585,422	-	585,422
State sources				402,807	-	402,807
On-behalf payments - State				427,619	-	427,619
Investment income				9,762	4	9,766
Total general revenues				<u>1,425,610</u>	<u>4</u>	<u>1,425,614</u>
CHANGE IN NET ASSETS				246,522	8,489	255,011
NET ASSETS - BEGINNING				1,353,288	42,755	1,396,043
NET ASSETS - ENDING				<u>\$ 1,599,810</u>	<u>\$ 51,244</u>	<u>\$ 1,651,054</u>

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 962,209	\$ 55,193	\$ 75,081	\$ -	\$ 1,092,483
Due from other funds	532,705	-	-	(532,705)	-
Due from other governments					
Local	1,151	-	150	-	1,301
State	-	521,906	-	-	521,906
Federal	-	9,113	-	-	9,113
Accounts receivable	4,992	-	-	-	4,992
Prepaid expenses	868	-	-	-	868
TOTAL ASSETS	\$ 1,501,925	\$ 586,212	\$ 75,231	\$ (532,705)	\$ 1,630,663
LIABILITIES					
Accounts payable	\$ 43,650	\$ 210	\$ 589	\$ -	\$ 44,449
Due to other funds	1,455	560,646	-	(532,705)	29,396
Total liabilities	<u>45,105</u>	<u>560,856</u>	<u>589</u>	<u>(532,705)</u>	<u>73,845</u>
FUND BALANCE					
Nonspendable	868	-	-	-	868
Restricted	-	19,468	74,642	-	94,110
Assigned	1,230,824	5,888	-	-	1,236,712
Unassigned	225,128	-	-	-	225,128
Total fund balance	<u>1,456,820</u>	<u>25,356</u>	<u>74,642</u>	<u>-</u>	<u>1,556,818</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,501,925	\$ 586,212	\$ 75,231	\$ (532,705)	\$ 1,630,663

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
JUNE 30, 2011

Total fund balances-governmental funds	\$ 1,556,818
 Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	<u>42,992</u>
Net assets of governmental activities	<u><u>\$ 1,599,810</u></u>

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 516,424	\$ 24,346	\$ 44,652	\$ -	\$ 585,422
State sources	430,509	1,520,792	908	-	1,952,209
Federal sources	-	189,005	-	-	189,005
On-behalf payments - State	427,619	-	-	-	427,619
Total revenues	<u>1,374,552</u>	<u>1,734,143</u>	<u>45,560</u>	<u>-</u>	<u>3,154,255</u>
EXPENDITURES					
Instructional services:					
Salaries and benefits	448,177	939,035	42,192	-	1,429,404
Purchased services	204,634	313,939	14,672	-	533,245
Supplies and materials	15,304	238,856	5,389	-	259,549
Other objects	3,917	1,427	-	-	5,344
Payments to other governments	-	20,000	-	-	20,000
On-behalf payments - State	427,619	-	-	-	427,619
Capital outlay	-	5,539	-	-	5,539
Total expenditures	<u>1,099,651</u>	<u>1,518,796</u>	<u>62,253</u>	<u>-</u>	<u>2,680,700</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>274,901</u>	<u>215,347</u>	<u>(16,693)</u>	<u>-</u>	<u>473,555</u>
OTHER FINANCING SOURCES (USES)					
Interest	4,164	5,155	443	-	9,762
Total other financing sources (uses)	<u>4,164</u>	<u>5,155</u>	<u>443</u>	<u>-</u>	<u>9,762</u>
NET CHANGE IN FUND BALANCE	279,065	220,502	(16,250)	-	483,317
FUND BALANCE (DEFICIT), RESTATED - BEGINNING	<u>1,177,755</u>	<u>(195,146)</u>	<u>90,892</u>	<u>-</u>	<u>1,073,501</u>
FUND BALANCE - ENDING	<u>\$ 1,456,820</u>	<u>\$ 25,356</u>	<u>\$ 74,642</u>	<u>\$ -</u>	<u>\$ 1,556,818</u>

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

Net change in fund balances	\$	483,317
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$ 5,539	
Depreciation expense	<u>(22,723)</u>	(17,184)
<p>Some revenues were not collected for several months after the Regional Office's fiscal year ended, they were not considered "available" revenues and were deferred in the governmental funds in the prior year, however, were recognized in the current year.</p>		<u>(219,611)</u>
Change in net assets of governmental activities	\$	<u><u>246,522</u></u>

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 STATEMENT OF NET ASSETS
 PROPRIETARY FUND
 JUNE 30, 2011

	Business - Type Activities - Enterprise Funds	
	Local	Total
ASSETS		
Cash and cash equivalents	\$ 20,439	\$ 20,439
Due from other governments		
Local	1,500	1,500
Due from other funds	29,396	29,396
TOTAL ASSETS	\$ 51,335	\$ 51,335
 LIABILITIES		
Accounts payable	\$ 91	\$ 91
Total Liabilities	91	91
 NET ASSETS		
Unrestricted	51,244	51,244
Total Net Assets	51,244	51,244
 TOTAL LIABILITIES AND NET ASSETS	\$ 51,335	\$ 51,335

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2011

	Business - Type Activities - Enterprise Funds	
	Local	Total
OPERATING REVENUES		
Charges for services	\$ 39,429	\$ 39,429
Total operating revenues	39,429	39,429
OPERATING EXPENSES		
Purchased services	29,588	29,588
Supplies and materials	1,344	1,344
Other objects	12	12
Total operating expenses	30,944	30,944
OPERATING INCOME	8,485	8,485
NONOPERATING REVENUES		
Interest	4	4
Total nonoperating revenues	4	4
CHANGE IN NET ASSETS	8,489	8,489
TOTAL NET ASSETS - BEGINNING	42,755	42,755
TOTAL NET ASSETS - ENDING	\$ 51,244	\$ 51,244

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Business - Type Activities - Enterprise Funds	
	Local	Totals
Cash flows from operating activities:		
Receipts from customers	\$ 39,954	\$ 39,954
Payments to suppliers and providers of goods and services	(30,853)	(30,853)
Net cash provided by (used for) operating activities	9,101	9,101
Cash flows from investing activities:		
Interest	4	4
Net cash provided by (used for) investing activities	4	4
Cash flows from noncapital financing activities:		
Receipts (payments) for interfund borrowing, net	(5,661)	(5,661)
Net cash provided by (used for) noncapital financing activities	(5,661)	(5,661)
 Net increase (decrease) in cash and cash equivalents	3,444	3,444
 Cash and cash equivalents - beginning	16,995	16,995
 Cash and cash equivalents- ending	\$ 20,439	\$ 20,439
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 8,485	\$ 8,485
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Change in assets and liabilities:		
Decrease in due from other governments	750	750
Increase in accounts payable	91	91
(Decrease) in deferred revenue	(225)	(225)
 Net cash provided by (used for) operating activities	\$ 9,101	\$ 9,101

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 JUNE 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 29,289
Due from other governments	<u>5,335,065</u>
Total Assets	<u><u>\$ 5,364,354</u></u>
 LIABILITIES	
Accounts payable	\$ 677
Due to other governments	<u>5,363,677</u>
Total Liabilities	<u><u>\$ 5,364,354</u></u>

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #12 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2011, the Regional Office of Education #12 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; GASB Statement No. 59, *Financial Instruments Omnibus*; and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Regional Office of Education #12 implemented these standards during the current year; however, GASB Statements No. 59 and 62 had no impact on the financial statements. The implementation of GASB Statement No. 54 changed fund balance reporting for governmental funds by adding some additional fund balance classifications, clarifying governmental fund type definitions, and providing additional disclosures on how fund balance constraints are imposed and may be modified or eliminated.

A. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through December 19, 2011, the date when the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #12's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; to investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

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

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

For the period ended June 30, 2011, the Regional Office of Education #12 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #12. Such activities are reported as a single special revenue fund (Education Fund).

C. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #12 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #12 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #12 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #12 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #12 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #12 being considered a component unit of the entity.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #12's activities with most of the inter-fund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education has one business-type activity that relies on fees and charges for support.

The Regional Office of Education #12's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #12 accompanied by a total column. These statements are presented on an "economic resources" measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education #12's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to inter-fund activities, such as, payables, receivables and transfers. Inter-fund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Assets and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All inter-fund transactions between governmental funds are eliminated on the government-wide financial statements. Inter-fund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities those transactions between governmental and business-type activities have not been eliminated.

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

F. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #12; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Under the terms of grant agreements, the Regional Office of Education #12 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is the Regional Office of Education #12's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING

The Regional Office of Education #12 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #12 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

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

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as non-major funds. The Regional Office of Education #12 has presented all major funds that met the above qualifications.

The Regional Office of Education #12 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #12 and is used to account for all financial resources that are not legally restricted for expenditure for specified purposes. The following funds are included in the General Fund:

General State Aid - Truant Alternative/Optional Education - This program accounts for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Truant Alternative School.

General State Aid - Regional Safe School - This program accounts for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Regional Safe School.

Special Projects - To account for monies used to provide numerous services to the administrators, staff and students within the Regional Office of Education #12.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Office - To account for the expenditures and payroll for the five Regional Office of Education #12 offices.

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

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

Accountability Liaison Program - To carry out program monitoring and provide technical assistance for the Preschool for All programs and report upon those activities to the Regional Office of Education and the Illinois State Board of Education.

American Recovery and Reinvestment (ARRA) - Education Jobs - Accounts for the federal funding provided to LEAs to save or create education jobs for school year 2010-2011.

Early Childhood Block Grant - To account for grant monies received to provide early childhood education to area three and four year old children.

Early Childhood - Preschool for All - To provide funds for early childhood and family education programs and services that will help young children enter school ready to learn. This program provides beginning teachers with practical strategies for dealing with early career challenges, resources, and a network of colleagues who are also entering the teaching profession.

Gifted Education - To sponsor one or more Gifted Education Seminars in their region of the State using a State approved Gifted Education Seminar trainer.

McKinney Education for Homeless Children - To account for grant monies received and expended assisting school districts in identifying and providing assistance to at-risk students. This program offers services to homeless children and youth primarily who are of school age. Pre-school aged children also receive services to ensure access to early childhood and pre-school programs.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Regional Safe Schools - This program works with students in grades 6-12 who have been suspended multiple times or expelled from school, allowing them to continue their education. It accounts for aid provided by the State based on students that attend the Regional Educational Alternative for Developing Youth and Alternative School programs.

ROE/ISC Operations - To account for the funding of the Regional Office of Education #12 pursuant to the Illinois Administrative Code which mandates the Regional Office to provide professional development activities in the fundamental learning areas, gifted education, administrators' academy, school improvement, technology and other activities based upon the needs of local school districts and State and Federal mandates.

System of Support (RESPRO) - This program provides professional development activities to schools that are on Illinois' Academic Watch List. To be on the list, students have not made adequate yearly progress for at least two years. The funding sources for this grant are Title I, Title II, and State appropriated monies.

Technology for Success - To account for grant monies received from the Illinois Board of Education to provide technology direction and support for Area 6 North schools.

Title I - Reading First Part B SEA - This program is designed to plan and implement Reading First Academics and provide professional development for teachers in schools that are participating in the Reading First program.

Title II - Teacher Quality - Leadership Grant - This program accounts for the proceeds of a grant from the Illinois State Board of Education to improve teacher effectiveness in the classroom.

Truants Alternative/Optional Education - This program offers prevention and intervention services, which include case management, home visits, school visits, student advocacy, wraparound, referrals to community agencies, and technical assistance to individual school districts and the community.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

The Regional Office of Education #12 reports the following non-major governmental funds:

Non-major Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. Non-major special revenue funds include the following:

General Education Development - To account for the administration of the GED testing program. Monies are received from testing and diploma fees.

School Bus Transportation - To account for the stewardship of the assets held in connection with the Bus Driver Training Program.

Institute - To account for the stewardship of the assets held for the benefit of the teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

FIDUCIARY FUNDS

Agency Funds - Agency funds are used to account for assets held by the Regional Office of Education #12 in a trustee capacity or as an agent for other governments. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the outside organizations are equal to the assets held. Included among these funds are:

Distributive - This fund distributes monies received from the State out to the school districts and other entities. The Regional Office of Education #12 has agreements with all districts in the region whereby the Regional Office of Education #12 is allowed to keep the interest for expenditures benefiting all districts.

Regional Board of Trustees - To account for monies received from individuals filing petitions requesting change of boundary hearings with the Regional Board of School Trustees. Monies are expended to cover hearing expenses.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUND

Proprietary Fund - The Proprietary fund accounts for revenue and expenses related to services provided to organizations inside the Regional Office of Education #12 on a cost reimbursement basis.

Local Fund - This fund is used to account for the workshop fees of the Regional Office of Education #12.

I. GOVERNMENTAL FUND BALANCES

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

Nonspendable Fund Balance - The portion of a governmental fund's net assets that are not available to be spent, either short term or long term, due to either their form or legal restrictions. The Regional Office of Education #12 has a nonspendable fund balance in one of the General Fund accounts.

Restricted Fund Balance - The portion of a governmental fund's net assets that are subject to external enforceable legal restrictions. The following accounts fund balances are restricted by grant agreements or contracts: Technology for Success. The following funds are restricted by Illinois Statute: General Education Development Fund, School Bus Transportation Fund, and the Institute Fund.

Committed Fund Balance - The portion of a governmental fund's net assets with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #12 has no committed fund balances.

Assigned Fund Balance - The portion of a governmental fund's net assets for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The Regional Office of Education #12 has assigned fund balances in the General Fund's General State Aid-Truant Alternative/Optional Education and General State Aid-Regional Safe Schools programs and the Education Fund's Early Childhood Block Grant, Regional Safe Schools, and Truant/Alternative Optional Education programs.

Unassigned Fund Balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of General Fund accounts.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. NET ASSETS

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets are displayed in three components:

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

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

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

K. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit and investments with a maturity of three months or less.

L. INVENTORY

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

M. CAPITAL ASSETS

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

Office Equipment and Furniture	5-10 years
Computer Equipment	3-10 years
Other Equipment	5-20 years

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

N. COMPENSATED ABSENCES

All employees who work 12 calendar months earn up to 20 vacation days for a full year of service. There are no accruals at June 30th because all unused vacation leave is forfeited at the end of the year.

In addition to vacation days, all regular, full-time employees are granted two personal business leave days per year. Any unused personal leave days are carried over to the following year as accumulated sick leave. All regular full-time employees receive up to 10 sick days annually and the unused portion is accumulated up to the maximum number of days allowed for purposes of retirement and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

O. ESTIMATES

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

P. BUDGET INFORMATION

The Regional Office of Education #12 acts as the administrative agent for certain grant programs that are accounted for in the Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. Certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Early Childhood Block Grant, Early Childhood - Preschool for All, Gifted Education, McKinney Education for Homeless Children, Regional Safe Schools, ROE/ISC Operations, Technology for Success, Title I - Reading First SEA Part B, Title II - Teacher Quality - Leadership Grant, and Truants Alternative/Optional Education.

NOTE 2 - CASH

The Regional Office of Education #12 does not have a formal investment policy. The Regional Office of Education #12 is allowed to invest in securities as authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 – CASH (Continued)

A. DEPOSITS

At June 30, 2011, the carrying amount of the Regional Office of Education #12's government-wide and Agency fund deposits were \$1,112,922 and \$29,289, respectively, and the bank balances were \$1,295,835 and \$145,235, respectively. Of the total bank balances as of June 30, 2011, \$818,305 was secured by federal depository insurance, \$591,545 was collateralized by securities pledged by the Regional Office of Education #12's financial institution in the name of the Regional Office, and \$31,220 was invested in the Illinois Funds Money Market Fund.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the ROE's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #12 requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education #12.

B. INVESTMENTS

The Regional Office of Education #12's only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2011, the Regional Office of Education #12 had investments with carrying and fair values of \$31,220 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2011, the Illinois Funds Money Market Fund had a Standard and Poor's AAA rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

INTEREST RATE RISK

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 – CASH (Concluded)

CONCENTRATION OF CREDIT RISK

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

NOTE 3 - DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #12'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 #12's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #12's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 used by the employer was 8.53 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 15.60 percent. The Regional Office of Education #12 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 the fiscal year ending December 31, 2010, the Regional Office of Education #12's actual contributions for pension cost for the Regular plan members were \$39,324. The Regional Office of Education #12's required contribution for calendar year 2010 was \$71,918.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

Three-Year Trend Information for the Regular Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	71,918	55%	32,594
12/31/09	34,910	100%	0
12/31/08	47,671	100%	0

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of Regional Office of Education #12's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #12's Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 10 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 82.78 percent funded. The actuarial accrued liability for benefits was \$2,409,447 and the actuarial value of assets was \$1,994,656, resulting in an underfunded actuarial accrued liability (UAAL) of \$414,791. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$461,013 and ratio of the UAAL to the covered payroll was 90 percent.

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

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

The Regional Office of Education #12 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2011, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2010 and 2009.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #12's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #12. For the year ended June 30, 2011, the State of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #12 recognized revenue and expenditures of \$207,934 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent (\$222,105) and 17.08 percent (\$143,392) respectively.

The Regional Office of Education #12 makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2011 were \$4,234. Contributions for the years ending June 30, 2010, and June 30, 2009, were \$4,552 and \$5,074, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #12, there is a statutory requirement for the Regional Office of Education #12 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS.

For the year ended June 30, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer contribution was 23.38 and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$800 were paid from federal and special trust funds that required employer contributions of \$185. For the years ended June 30, 2010 and 2009, required Regional Office of Education #12 contributions were \$-0- and \$6,018, respectively.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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

- **Early retirement option.** The Regional Office of Education #12 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer ERO contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2011, the Regional Office of Education #12 paid no contributions to the ERO program. For the years ended, June 30, 2010 and June 30, 2009, the Regional Office of Education #12 paid no employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** If the Regional Office of Education #12 grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #12 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increase of up to 6 percent.

For the year ended June 30, 2011, the Regional Office of Education #12 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2010 and 2009, the Regional Office of Education #12 paid no employer contributions due on salary increases in excess of 6 percent.

If the Regional Office of Education #12 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Regional Office of Education #12 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.03 percent of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2011, the Regional Office of Education #12 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2010 and 2009, the Regional Office of Education #12 paid no employer contributions granted for sick leave days.

- **Further Information on TRS.** TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

NOTE 5 - TEACHERS' HEALTH INSURANCE SYSTEM

The Regional Office of Education #12 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitant may participate in the State administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the State make a contribution to THIS fund.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$6,422, and the Regional Office of Education #12 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2010, were 0.84 percent of pay. State contributions on behalf of the Regional Office of Education #12 employees were \$6,592.

Had the Regional Office of Education #12 recognized revenue and expenditures for State contributions intended to match active member contributions during the year ended June 30, 2009 under the current standards, the contribution match would have been 0.84 percent of pay or \$7,348.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 5 - TEACHERS' HEALTH INSURANCE SYSTEM (Concluded)

Employer contributions to THIS Fund. The employer (Regional Office of Education #12) also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66 percent during the years ended June 30, 2011, and 0.63 percent during the years ended June 30, 2010, and June 30, 2009. For the year ended June 30, 2011, the Regional Office of Education #12 paid \$4,817, to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the Regional Office paid \$4,944 and \$5,511 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further information on THIS Fund. The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

NOTE 6 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Inter-fund due to/from other fund balances at June 30, 2011 consist of the following individual due to/from other funds in the governmental fund's Balance Sheet and proprietary fund's Statement of Net Assets. The balances between governmental funds were eliminated in the government-wide Statement of Net Assets.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 532,705	\$ 1,455
Education Fund	-	560,646
Proprietary Fund	29,396	-
Total	\$ 562,101	\$ 562,101

TRANSFERS

There were no interfund transfers at June 30, 2011.

NOTE 7- RISK MANAGEMENT

The Regional Office of Education #12 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #12 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011, was as follows:

	<u>Balance</u> 07/01/10	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 06/30/11
Governmental Activities				
Capital Assets, being depreciated:				
Equipment and Furniture	\$ 331,303	\$ 5,539	\$ (7,371)	\$ 329,471
Less accumulated depreciation for:				
Equipment and Furniture	<u>(271,127)</u>	<u>(22,723)</u>	<u>7,371</u>	<u>(286,479)</u>
Governmental activities capital assets, net	<u>\$ 60,176</u>	<u>\$ (17,184)</u>	<u>\$ -</u>	<u>\$ 42,992</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2011, of \$22,723 was charged to the governmental activities, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 9 – ON BEHALF PAYMENTS

The State of Illinois paid the following salaries and benefits on behalf of the Regional Office of Education #12:

Regional Superintendent Salary	\$ 84,380
Assistant Regional Superintendent Salary	86,791
Regional Superintendent Benefits (Includes State paid insurance)	17,999
Assistant Regional Superintendent Benefits (Includes State paid insurance)	24,093
TRS Pension Contribution	207,934
Teachers' Health Insurance System	<u>6,422</u>
	<u>\$ 427,619</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education. These amounts have been recorded in the accompanying financial statements as State revenue and expenditures.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 10 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #12’s Agency Fund, General Fund, Education Fund, Nonmajor Funds, and Proprietary Fund have funds due from/to various other governmental units which consist of the following:

Due from Other Governments:

<u>General Fund</u>	
Local Governments	\$ 1,151
<u>Education Fund</u>	
Illinois State Board of Education	509,978
Other Regional Offices of Education	21,041
<u>Nonmajor Funds</u>	
Local Governments	150
<u>Proprietary Fund</u>	
Local Governments	1,500
<u>Agency Fund</u>	
Illinois State Board of Education	<u>5,335,065</u>
 Total	 <u>\$ 5,868,885</u>

Due to Other Governments:

<u>Agency Fund</u>	
Local Governments	<u>\$ 5,363,677</u>

NOTE 12 – EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST

Plan Description. The Regional Office of Education #12 contributes to the Egyptian Area Schools Employee Benefit Trust (the “Trust”), a cost-sharing multiple-employer defined benefit health care plan administered by the Board of Managers of the Trust. The Trust provides medical benefits to active and retired employees of approximately 160 participating employers. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. A copy of the report may be obtained by writing to the Egyptian Area Schools Employee Benefit Trust, c/o Meritain Health, 13 Executive Drive, Suite 19, Fairview Heights, IL 62208, or by calling Meritain Health at (866) 588-2431, Option 3 x 6105. The report is also posted on the Trust’s website at www.egtrust.org.

Funding Policy. The Trust Agreement establishing the Trust provides that contribution rates are established and may be modified by the Board of Managers of the Trust. Contribution rates are normally adjusted as of September 1 each year. As of June 30, 2011, participating employers were contractually required to contribute at the following rates for active and retired employees and dependents.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 12 – EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST (Concluded)

	PLATINUM PLAN		GOLD PLAN		SILVER PLAN		BRONZE PLAN	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
Employee	\$536	\$632	\$484	\$571	\$418	\$493	\$356	\$420
EE + Spouse	\$1,106	\$1,305	\$998	\$1,178	\$866	\$1,022	\$732	\$864
EE + Children	\$1,068	\$1,260	\$963	\$1,136	\$835	\$985	\$719	\$848
Family	\$1,191	\$1,405	\$1,073	\$1,266	\$932	\$1,100	\$791	\$933

Participating employers may require employees and/or retirees to pay some or all of the required contributions to the employer, but the employer has the legal obligation to pay contributions to the Trust. The Regional Office of Education #12 requires retirees to pay 100% of the contribution for coverage for retirees and their dependents.

The Board of Managers of the Trust sets the employer contribution rates each year based on an actuarial valuation. The Trust's actuary has determined that as of June 30, 2008 the Trust had no Unfunded Actuarial Accrued Liability for Other Post Employment Benefits (OPEB) and is not expected to have an Unfunded Actuarial Accrued Liability as of June 30, 2009. That actuary has further determined that current contribution rates exceed the Annual Required Contribution (ARC) determined in accordance with the parameters of GASB Statement 45. The Regional Office of Education #12 contributions to the Trust for the years ending June 30, 2011, June 30, 2010, and June 30, 2009, were \$35,932, \$34,806, and \$38,080 respectively, which equaled the contractually required contributions each year.

NOTE 13 – RECLASSIFICATION

As a result of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, at June 30, 2011, General State Aid (GSA) funding has been reclassified from the Education Fund to the General Fund and the ROE/ISC Operation grant has been reclassified from the General Fund to the Education Fund.

The Regional Office of Education #12 receives GSA from the Illinois State Board of Education based on attendance in the Regional Safe School and the Truant Alternative School. This funding supports the general operations of the Regional Safe School and the Truant Alternative School and the Regional Office has historically reported this funding in the Education fund with the Regional Safe School and Truant Alternative/Optional Education grant funding, however, GSA does not meet the committed or restricted criteria set forth in GASB 54 for special revenue funds. The ROE/ISC Operations grant which supports the general operations of the Regional Office has historically been reported the General Fund, however, because this funding is governed by a grant agreement with the grantor the funding is restricted and is required to be reported as a special revenue fund.

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 13 – RECLASSIFICATION (Concluded)

The following is the effect of these reclassifications on the beginning fund balances for the General Fund and the Education Fund:

General Fund:

Fund Balance - July 1, 2010	\$ 174,649
Effect of reclassifying General State Aid funding	983,866
Effect of reclassifying ROE/ISC Operation grant	19,240
Fund Balance, Restated - July 1, 2010	\$ 1,177,755

Education Fund:

Fund Balance - July 1, 2010	\$ 807,960
Effect of reclassifying General State Aid funding	(983,866)
Effect of reclassifying ROE/ISC Operation grant	(19,240)
Fund Balance, Restated - July 1, 2010	\$ (195,146)

In addition, in prior years the Clearing Fund and the Speech Pathology Payroll Fund had been reported as agency funds, however, because these funds are accounting for the Regional Office of Education #12's own funds, they have both been reclassified to the General Fund. There were no fund balances for either of these funds; therefore, these reclassifications had no effect on the financial statements.

NOTE 14 – SUBSEQUENT EVENT:

For fiscal year 2012, the Governor of Illinois vetoed the appropriation line for the Regional Superintendent's and Assistant Regional Superintendent's salaries and benefits, as well as, the appropriation line for the Regional Office's general operations grant. The Regional Superintendent's and Assistant Regional Superintendent's salaries were reinstated in November 2011 for one year only, to be paid from State personal property replacement tax funds, but the general operations grant was not reinstated. The Regional Superintendents will make every effort to secure other local funding to support the programs and services the Regional Office provides. The affect of these funding cuts on the Regional Office's long-term ability to continue to provide services at their current level is unknown.

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

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2011

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)
12/31/10	\$ 1,994,656	\$ 2,409,447	\$ 414,791	82.78%	\$ 461,013	89.97%
12/31/09	1,870,862	2,275,284	404,422	82.23%	520,267	77.73%
12/31/08	1,877,759	2,177,193	299,434	86.25%	508,760	58.86%

On a market value basis, the actuarial value of the assets as of December 31, 2010 is \$2,125,167. On a market basis, the funded ratio would be 88.20%.

OTHER SUPPLEMENTAL INFORMATION

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2011

	General State Aid - Truant Alternative/Optio nal Education	General State Aid - Regional Safe Schools	Special Projects	Office	Total
ASSETS					
Cash and cash equivalents	\$ 308,352	\$ 392,570	\$ 191,891	\$ 69,396	\$ 962,209
Due from other funds	498,022	33,228	1,455	-	532,705
Due from other governments					
Local	-	-	1,151	-	1,151
Accounts receivable	-	-	4,992	-	4,992
Prepaid expenses	-	-	868	-	868
TOTAL ASSETS	\$ 806,374	\$ 425,798	\$ 200,357	\$ 69,396	\$ 1,501,925
LIABILITIES					
Accounts payable	\$ 1,348	\$ -	\$ 42,262	\$ 40	\$ 43,650
Due to other funds	-	-	1,455	-	1,455
Total Liabilities	1,348	-	43,717	40	45,105
FUND BALANCE					
Nonspendable	-	-	868	-	868
Assigned	805,026	425,798	-	-	1,230,824
Unassigned	-	-	155,772	69,356	225,128
Total Fund Balance	805,026	425,798	156,640	69,356	1,456,820
TOTAL LIABILITIES AND FUND BALANCE	\$ 806,374	\$ 425,798	\$ 200,357	\$ 69,396	\$ 1,501,925

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2011

	General State Aid - Truant Alternative/Optional Education	General State Aid - Regional Safe Schools	Special Projects	Office	Total
REVENUES					
Local sources	\$ -	\$ -	\$ 291,136	\$ 225,288	\$ 516,424
State sources	266,529	163,980	-	-	430,509
On-behalf payments - State	-	-	-	427,619	427,619
Total revenues	<u>266,529</u>	<u>163,980</u>	<u>291,136</u>	<u>652,907</u>	<u>1,374,552</u>
EXPENDITURES					
Salaries and benefits	24,588	94,019	129,075	200,495	448,177
Purchased services	37,821	14,355	137,828	14,630	204,634
Supplies and materials	9,984	2,784	1,699	837	15,304
Other objects	-	-	3,917	-	3,917
On-behalf payments - State	-	-	-	427,619	427,619
Total expenditures	<u>72,393</u>	<u>111,158</u>	<u>272,519</u>	<u>643,581</u>	<u>1,099,651</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>194,136</u>	<u>52,822</u>	<u>18,617</u>	<u>9,326</u>	<u>274,901</u>
OTHER FINANCING SOURCES (USES)					
Interest	-	-	3,967	197	4,164
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,967</u>	<u>197</u>	<u>4,164</u>
NET CHANGE IN FUND BALANCE	194,136	52,822	22,584	9,523	279,065
FUND BALANCE, RESTATED - BEGINNING	<u>610,890</u>	<u>372,976</u>	<u>134,056</u>	<u>59,833</u>	<u>1,177,755</u>
FUND BALANCE - ENDING	<u>\$ 805,026</u>	<u>\$ 425,798</u>	<u>\$ 156,640</u>	<u>\$ 69,356</u>	<u>\$ 1,456,820</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

	Accountability Liaison Program	ARRA - Education Jobs	Early Childhood Block Grant	Early Childhood - Preschool For All	Gifted Education	McKinney Education For Homeless Children	Regional Safe Schools
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 100	\$ 10,950	\$ -	\$ -	\$ 227
Due from other governments							
State	19,790	-	70,178	142,541	-	-	33,228
Federal	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 19,790	\$ -	\$ 70,278	\$ 153,491	\$ -	\$ -	\$ 33,455
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178
Due to other funds	19,790	-	70,178	153,491	-	-	33,228
Total liabilities	19,790	-	70,178	153,491	-	-	33,406
FUND BALANCE							
Restricted	-	-	-	-	-	-	-
Assigned	-	-	100	-	-	-	49
Total fund balance	-	-	100	-	-	-	49
TOTAL LIABILITIES AND FUND BALANCE	\$ 19,790	\$ -	\$ 70,278	\$ 153,491	\$ -	\$ -	\$ 33,455

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

	ROE/ISC Operations	System of Support (RESPRO)	Technology for Success	Title I - Reading First Part B SEA	Title II - Teacher Quality - Leadership Grant	Truants Alternative/ Optional Education	Totals
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 20,677	\$ -	\$ 17,468	\$ 5,771	\$ 55,193
Due from other governments							
State	28,145	-	70,209	-	-	157,815	521,906
Federal	-	1,251	-	-	7,862	-	9,113
TOTAL ASSETS	\$ 28,145	\$ 1,251	\$ 90,886	\$ -	\$ 25,330	\$ 163,586	\$ 586,212
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32	\$ 210
Due to other funds	28,145	1,251	71,418	-	25,330	157,815	560,646
Total liabilities	28,145	1,251	71,418	-	25,330	157,847	560,856
FUND BALANCE							
Restricted	-	-	19,468	-	-	-	19,468
Assigned	-	-	-	-	-	5,739	5,888
Total fund balance	-	-	19,468	-	-	5,739	25,356
TOTAL LIABILITIES AND FUND BALANCE	\$ 28,145	\$ 1,251	\$ 90,886	\$ -	\$ 25,330	\$ 163,586	\$ 586,212

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2011

	Accountability Liaison Program	ARRA - Education Jobs	Early Childhood Block Grant	Early Childhood - Preschool For All	Gifted Education	McKinney Education For Homeless Children	Regional Safe Schools
REVENUES							
Local sources	\$ -	\$ -	\$ 606	\$ -	\$ -	\$ -	\$ 165
State sources	29,568	-	272,337	379,647	23,993	-	103,857
Federal sources	-	39,197	-	-	-	25,000	-
Total revenues	<u>29,568</u>	<u>39,197</u>	<u>272,943</u>	<u>379,647</u>	<u>23,993</u>	<u>25,000</u>	<u>104,022</u>
EXPENDITURES							
Salaries and benefits	3,449	39,197	95,461	190,004	5,073	13,451	70,884
Purchased services	16,045	-	49,899	111,060	13,132	5,156	4,713
Supplies and materials	296	-	124,957	78,583	4,990	6,393	884
Other objects	-	-	558	-	816	-	5
Payment to other governments	-	-	-	-	-	-	-
Capital outlay	-	-	2,020	-	-	-	-
Total expenditures	<u>19,790</u>	<u>39,197</u>	<u>272,895</u>	<u>379,647</u>	<u>24,011</u>	<u>25,000</u>	<u>76,486</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>9,778</u>	<u>-</u>	<u>48</u>	<u>-</u>	<u>(18)</u>	<u>-</u>	<u>27,536</u>
OTHER FINANCING SOURCES							
Interest income	-	-	-	-	18	-	2,204
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>2,204</u>
NET CHANGE IN FUND BALANCE	<u>9,778</u>	<u>-</u>	<u>48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,740</u>
FUND BALANCE (DEFICIT), RESTATED - BEGINNING	<u>(9,778)</u>	<u>-</u>	<u>52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,691)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2011

	ROE/ISC Operations	System of Support (RESPRO)	Technology for Success	Title I - Reading First Part B SEA	Title II - Teacher Quality - Leadership Grant	Truants Alternative/ Optional Education	Total
REVENUES							
Local sources	\$ -	\$ -	\$ 18,779	\$ -	\$ -	\$ 4,796	\$ 24,346
State sources	72,846	-	203,615	-	-	434,929	1,520,792
Federal sources	-	24,335	-	473	100,000	-	189,005
Total revenues	<u>72,846</u>	<u>24,335</u>	<u>222,394</u>	<u>473</u>	<u>100,000</u>	<u>439,725</u>	<u>1,734,143</u>
EXPENDITURES							
Salaries and benefits	32,762	18,220	134,566	473	37,395	298,100	939,035
Purchased services	17,211	6,115	20,150	-	54,935	15,523	313,939
Supplies and materials	2,054	-	7,756	-	7,670	5,273	238,856
Other objects	-	-	-	32	-	16	1,427
Payment to other governments	-	-	20,000	-	-	-	20,000
Capital outlay	1,579	-	1,940	-	-	-	5,539
Total expenditures	<u>53,606</u>	<u>24,335</u>	<u>184,412</u>	<u>505</u>	<u>100,000</u>	<u>318,912</u>	<u>1,518,796</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>19,240</u>	<u>-</u>	<u>37,982</u>	<u>(32)</u>	<u>-</u>	<u>120,813</u>	<u>215,347</u>
OTHER FINANCING SOURCES							
Interest income	-	-	502	32	-	2,399	5,155
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>502</u>	<u>32</u>	<u>-</u>	<u>2,399</u>	<u>5,155</u>
NET CHANGE IN FUND BALANCE	<u>19,240</u>	<u>-</u>	<u>38,484</u>	<u>-</u>	<u>-</u>	<u>123,212</u>	<u>220,502</u>
FUND BALANCE (DEFICIT), RESTATED - BEGINNING	<u>(19,240)</u>	<u>-</u>	<u>(19,016)</u>	<u>-</u>	<u>-</u>	<u>(117,473)</u>	<u>(195,146)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,739</u>	<u>\$ 25,356</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2010 to June 30, 2011)
EDUCATION FUND ACCOUNT
EARLY CHILDHOOD BLOCK GRANT
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local sources	\$ -	\$ -	\$ 606
State sources	220,178	220,178	272,337
Total revenues	<u>220,178</u>	<u>220,178</u>	<u>272,943</u>
EXPENDITURES			
Salaries and benefits	98,709	95,953	95,461
Purchased services	66,070	50,713	49,899
Supplies and materials	55,399	73,512	124,957
Other objects	-	-	558
Capital outlay	-	-	2,020
Total expenditures	<u>220,178</u>	<u>220,178</u>	<u>272,895</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>48</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>48</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>52</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100</u></u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to August 31, 2011)
 EDUCATION FUND ACCOUNT
 EARLY CHILDHOOD - PRESCHOOL FOR ALL
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 351,432	\$ 351,432	\$ 379,647
Total revenues	<u>351,432</u>	<u>351,432</u>	<u>379,647</u>
EXPENDITURES			
Salaries and benefits	194,262	190,733	190,004
Purchased services	117,856	111,673	111,060
Supplies and materials	39,314	49,026	78,583
Total expenditures	<u>351,432</u>	<u>351,432</u>	<u>379,647</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of May 15, 2009 to August 31, 2010)
 EDUCATION FUND ACCOUNT
 GIFTED EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts		Total Actual Amounts
	Original	Final	FY10	FY11	
REVENUES					
State sources	\$ 66,505	\$ 66,505	\$ 42,512	\$ 23,993	\$ 66,505
Total revenues	<u>66,505</u>	<u>66,505</u>	<u>42,512</u>	<u>23,993</u>	<u>66,505</u>
EXPENDITURES					
Salaries and benefits	26,165	25,022	19,959	5,073	25,032
Purchased services	29,161	30,874	16,030	13,132	29,162
Supplies and materials	11,179	10,609	7,321	4,990	12,311
Other objects	-	-	-	816	816
Total expenditures	<u>66,505</u>	<u>66,505</u>	<u>43,310</u>	<u>24,011</u>	<u>67,321</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(798)</u>	<u>(18)</u>	<u>(816)</u>
OTHER FINANCING SOURCES (USES)					
Interest	-	-	798	18	816
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>798</u>	<u>18</u>	<u>816</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 25,000	\$ 25,000	\$ 25,000
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
EXPENDITURES			
Salaries and benefits	13,562	13,451	13,451
Purchased services	4,000	5,156	5,156
Supplies and materials	7,438	6,393	6,393
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Local sources	\$ -	\$ -	\$ 165
State sources	116,191	74,166	103,857
Total revenues	<u>116,191</u>	<u>74,166</u>	<u>104,022</u>
EXPENDITURES			
Salaries and benefits	106,574	71,268	70,884
Purchased services	8,617	2,133	4,713
Supplies and materials	1,000	765	884
Other objects	-	-	5
Total expenditures	<u>116,191</u>	<u>74,166</u>	<u>76,486</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>27,536</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	2,204
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,204</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>29,740</u>
FUND BALANCE (DEFICIT), RESTATED - BEGINNING	<u>-</u>	<u>-</u>	<u>(29,691)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 ROE/ISC OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
State sources	\$ 53,606	\$ 53,606	\$ 72,846
Total revenues	<u>53,606</u>	<u>53,606</u>	<u>72,846</u>
EXPENDITURES			
Salaries and benefits	34,611	33,611	32,762
Purchased services	13,995	16,245	17,211
Supplies and materials	5,000	2,250	2,054
Capital outlay	-	1,500	1,579
Total expenditures	<u>53,606</u>	<u>53,606</u>	<u>53,606</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>19,240</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>19,240</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(19,240)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2010 to August, 2011)
EDUCATION FUND ACCOUNT
TECHNOLOGY FOR SUCCESS
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local sources	\$ -	\$ -	\$ 18,779
State sources	172,847	172,847	203,615
Total revenues	<u>172,847</u>	<u>172,847</u>	<u>222,394</u>
EXPENDITURES			
Salaries and benefits	136,972	131,972	134,566
Purchased services	34,875	39,875	20,150
Supplies and materials	1,000	1,000	7,756
Payments to other governments	-	-	20,000
Capital outlay	-	-	1,940
Total expenditures	<u>172,847</u>	<u>172,847</u>	<u>184,412</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>37,982</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	502
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>502</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>38,484</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(19,016)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,468</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of March 18, 2010 to August 31, 2010)
 EDUCATION FUND ACCOUNT
 TITLE I - READING FIRST PART B SEA
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts		Total Actual Amounts
	Original	Final	FY10	FY11	
REVENUES					
Federal sources	\$ 9,476	\$ 9,476	\$ 9,003	\$ 473	\$ 9,476
Total revenues	<u>9,476</u>	<u>9,476</u>	<u>9,003</u>	<u>473</u>	<u>9,476</u>
EXPENDITURES					
Salaries and benefits	471	471	-	473	473
Purchased services	9,005	9,005	9,003	-	9,003
Other objects	-	-	-	32	32
Total expenditures	<u>9,476</u>	<u>9,476</u>	<u>9,003</u>	<u>505</u>	<u>9,508</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32)</u>	<u>(32)</u>
OTHER FINANCING SOURCES (USES)					
Interest	-	-	-	32	32
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>32</u>	<u>32</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 19, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 TITLE II - TEACHER QUALITY - LEADERSHIP GRANT
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 100,000	\$ 100,000	\$ 100,000
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
EXPENDITURES			
Salaries and benefits	37,025	37,025	37,395
Purchased services	56,575	56,575	54,935
Supplies and materials	6,400	6,400	7,670
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2010 to June 30, 2011)
EDUCATION FUND ACCOUNT
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local sources	\$ -	\$ -	\$ 4,796
State sources	393,119	315,635	434,929
Total revenues	<u>393,119</u>	<u>315,635</u>	<u>439,725</u>
EXPENDITURES			
Salaries and benefits	346,346	297,980	298,100
Purchased services	37,280	12,337	15,523
Supplies and materials	9,493	5,318	5,273
Other objects	-	-	16
Total expenditures	<u>393,119</u>	<u>315,635</u>	<u>318,912</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>120,813</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	2,399
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,399</u>
NET CHANGE IN FUND BALANCE			
	<u>-</u>	<u>-</u>	<u>123,212</u>
FUND BALANCE (DEFICIT), RESTATED			
- BEGINNING	<u>-</u>	<u>-</u>	<u>(117,473)</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,739</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2011

	General Education Development	School Bus Transportation	Institute	Total
ASSETS				
Cash and cash equivalents	\$ 2,192	\$ 619	\$ 72,270	\$ 75,081
Due from other governments				
Local	100	-	50	150
TOTAL ASSETS	<u>\$ 2,292</u>	<u>\$ 619</u>	<u>\$ 72,320</u>	<u>\$ 75,231</u>
LIABILITIES				
Accounts payable	\$ 419	\$ 80	\$ 90	\$ 589
Total liabilities	<u>419</u>	<u>80</u>	<u>90</u>	<u>589</u>
FUND BALANCE				
Restricted	1,873	539	72,230	74,642
Total Fund Balance	<u>1,873</u>	<u>539</u>	<u>72,230</u>	<u>74,642</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,292</u>	<u>\$ 619</u>	<u>\$ 72,320</u>	<u>\$ 75,231</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

	General Education Development	School Bus Transportation	Institute	Total
REVENUES				
Local sources	\$ 11,975	\$ 2,004	\$ 30,673	\$ 44,652
State sources	-	908	-	908
Total revenue	<u>11,975</u>	<u>2,912</u>	<u>30,673</u>	<u>45,560</u>
EXPENDITURES				
Salaries and benefits	11,157	-	31,035	42,192
Purchased services	2,703	2,279	9,690	14,672
Supplies and materials	2,444	-	2,945	5,389
Total expenditures	<u>16,304</u>	<u>2,279</u>	<u>43,670</u>	<u>62,253</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,329)</u>	<u>633</u>	<u>(12,997)</u>	<u>(16,693)</u>
OTHER FINANCIING SOURCES (USES)				
Interest	37	3	403	443
Total Other Financing Sources (Uses)	<u>37</u>	<u>3</u>	<u>403</u>	<u>443</u>
NET CHANGE IN FUND BALANCE	(4,292)	636	(12,594)	(16,250)
FUND BALANCE (DEFICIT) - BEGINNING	<u>6,165</u>	<u>(97)</u>	<u>84,824</u>	<u>90,892</u>
FUND BALANCE - ENDING	<u>\$ 1,873</u>	<u>\$ 539</u>	<u>\$ 72,230</u>	<u>\$ 74,642</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2011

	<u>Distributive Fund</u>	<u>Regional Board of Trustees</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 28,612	\$ 677	\$ 29,289
Due from other governments	<u>5,335,065</u>	<u>-</u>	<u>5,335,065</u>
TOTAL ASSETS	<u><u>\$ 5,363,677</u></u>	<u><u>\$ 677</u></u>	<u><u>\$ 5,364,354</u></u>
LIABILITIES			
Accounts payable	\$ -	\$ 677	\$ 677
Due to other governments	<u>5,363,677</u>	<u>-</u>	<u>5,363,677</u>
TOTAL LIABILITIES	<u><u>\$ 5,363,677</u></u>	<u><u>\$ 677</u></u>	<u><u>\$ 5,364,354</u></u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>DISTRIBUTIVE</u>				
ASSETS				
Cash and cash equivalents	\$ 916,882	\$ 54,705,326	\$ 55,593,596	\$ 28,612
Due from other governments	7,344,960	5,335,065	7,344,960	5,335,065
Total assets	<u>\$ 8,261,842</u>	<u>\$ 60,040,391</u>	<u>\$ 62,938,556</u>	<u>\$ 5,363,677</u>
LIABILITIES				
Due to other governments	\$ 8,261,842	\$ 60,040,391	\$ 62,938,556	\$ 5,363,677
Total liabilities	<u>\$ 8,261,842</u>	<u>\$ 60,040,391</u>	<u>\$ 62,938,556</u>	<u>\$ 5,363,677</u>
<u>REGIONAL BOARD OF TRUSTEES</u>				
ASSETS				
Cash and cash equivalents	\$ 1,361	\$ 2,073	\$ 2,757	\$ 677
Total assets	<u>\$ 1,361</u>	<u>\$ 2,073</u>	<u>\$ 2,757</u>	<u>\$ 677</u>
LIABILITIES				
Accounts payable	\$ 1,361	\$ 2,073	\$ 2,757	\$ 677
Total liabilities	<u>\$ 1,361</u>	<u>\$ 2,073</u>	<u>\$ 2,757</u>	<u>\$ 677</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 918,243	\$ 54,707,399	\$ 55,596,353	\$ 29,289
Due from other governments	7,344,960	5,335,065	7,344,960	5,335,065
Total assets	<u>\$ 8,263,203</u>	<u>\$ 60,042,464</u>	<u>\$ 62,941,313</u>	<u>\$ 5,364,354</u>
LIABILITIES				
Accounts payable	\$ 1,361	\$ 2,073	\$ 2,757	\$ 677
Due to other governments	8,261,842	60,040,391	62,938,556	5,363,677
Total liabilities	<u>\$ 8,263,203</u>	<u>\$ 60,042,464</u>	<u>\$ 62,941,313</u>	<u>\$ 5,364,354</u>

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
REGIONAL OFFICE OF EDUCATION #12
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Clay City Community Unit #10	North Clay Community Unit #25	Flora Community Unit #35	Hutsonville Community Unit #1	Robinson Community Unit #2	Palestine Community Unit #3	Oblong Community Unit #4	Jasper County Community Unit #1
General State Aid	\$ 1,347,937	\$ 2,932,119	\$ 5,903,170	\$ 1,425,611	\$ 1,184,018	\$ 1,753,536	\$ 2,842,474	\$ 1,109,487
Special Ed - Private Facility Tuition	19,618	-	3,868	9,424	18,089	-	-	23,780
Special Ed - Extraordinary	62,590	124,424	253,927	69,809	295,968	68,530	118,034	260,761
Special Ed - Personnel	86,050	76,718	217,065	45,222	221,104	48,941	113,370	207,576
Special Ed - Orphanage - Individual	-	16,590	12,941	-	35,881	-	-	-
Special Ed - Summer School	-	-	2,122	1,600	-	-	-	234
Vocational Ed - Secondary Prog Improvement	-	-	-	-	-	-	-	-
Vocational Ed - Agriculture Education	-	-	-	-	-	-	-	-
Bilingual Education	-	-	-	-	-	-	-	-
State Free Lunch and Breakfast	3,090	7,211	14,019	4,406	18,318	1,839	4,979	13,091
School Breakfast Incentive	52	76	145	24	165	1	87	133
Driver Education	5,340	7,905	25,323	6,801	33,129	4,317	12,167	24,866
Transportation - Regular and Vocational	95,628	215,294	241,808	164,409	432,310	85,227	215,592	642,758
Transportation - Special Education	40,834	55,774	204,391	50,034	174,204	101,732	111,024	319,808
ROE School Bus Driver Training	-	-	-	-	-	-	-	-
National Board Certification	-	-	3,521	-	15,844	-	1,760	-
Truants Alternative/Optional Education	-	-	-	-	-	-	-	-
Regional Safe Schools	-	-	-	-	-	-	-	-
Early Childhood - Block Grant	99,022	133,969	426,449	105,859	270,247	61,439	187,313	111,952
Reading Improvement Block Grant	10,986	10,867	19,707	6,025	24,047	13,733	-	21,083
ROE/ISC Operations	-	-	-	-	-	-	-	-
ADA Safety and Educational Block Grant	1,430	2,743	5,697	1,653	6,752	1,600	2,773	5,977
Technology - Learning Technology Centers	-	-	-	-	-	-	-	-
Children's Mental Health	-	-	-	-	-	-	-	-
Title VI Rural Education	-	-	-	-	-	-	-	-
National School Lunch Program	58,272	127,861	260,647	75,563	255,419	47,211	88,586	227,445
Special Milk Program	659	1,056	3,062	-	-	-	-	-
School Breakfast Program	18,719	33,477	77,648	32,505	119,645	14,515	24,530	71,658
NSLP Equipment Asst. Grant	-	-	-	-	-	-	-	28,916
Title I - Low Income	97,692	142,348	273,580	94,958	359,924	105,642	153,587	269,573
Title I - Reading First Part B SEA Funds	-	-	-	-	-	-	-	-
Title IV - Safe and Drug Free Sch - Formula	-	-	379	-	-	87	179	1,538
21st Century Learning	-	-	-	-	-	-	-	-
Federal - Special Ed - IDEA - Room and Board	-	-	3,281	46,408	84,952	374	1,958	43,277
V.E. - Perkins - Title IIC - Secondary	-	-	-	-	-	-	-	-
ARRA Title I	11,209	5,941	36,956	6,382	22,781	20,364	34,107	62,427
ARRA Education Jobs	82,147	266,969	537,483	129,802	107,796	159,659	258,807	101,019
Title II - Teacher Quality	24,195	46,141	84,302	28,841	85,503	35,593	19,432	99,571
Title II - Leadership	-	-	-	-	-	-	-	-
Technology - Enhancing Education - Formula	-	-	-	-	580	11	-	-
TOTAL	\$ 2,065,470	\$ 4,207,483	\$ 8,611,491	\$ 2,305,336	\$ 3,766,676	\$ 2,524,351	\$ 4,190,759	\$ 3,646,930

CLAY/CRAWFORD/JASPER/LAWRENCE/RICHLAND COUNTIES
 REGIONAL OFFICE OF EDUCATION #12
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 FOR THE YEAR ENDED JUNE 30, 2011

	Lawrence County Community Unit #20	East Richland Community Unit #1	West Richland Community Unit #2	Twin Rivers Regional Vocational System	Regional Office of Education #12	Clay-Jasper- Richland-N. Wayne Regional System	Total
General State Aid	\$ 5,705,112	\$ 7,497,412	\$ 1,655,491	\$ -	\$ 430,508	\$ -	\$ 33,786,875
Special Ed - Private Facility Tuition	7,217	63,847	-	-	-	-	145,843
Special Ed - Extraordinary	229,797	382,334	68,914	-	-	-	1,935,088
Special Ed - Personnel	153,622	258,000	50,890	-	-	-	1,478,558
Special Ed - Orphanage - Individual	929	4,143	-	-	-	-	70,484
Special Ed - Summer School	1,616	11,570	-	-	-	-	17,142
Vocational Ed - Secondary Prog Improvement	-	-	-	237,400	-	313,047	550,447
Vocational Ed - Agriculture Education	-	-	-	6,184	-	17,497	23,681
Bilingual Education	3,556	-	-	-	-	-	3,556
State Free Lunch and Breakfast	13,048	19,883	3,318	-	-	-	103,202
School Breakfast Incentive	52	87	77	-	-	-	899
Driver Education	18,642	31,028	5,140	-	-	-	174,658
Transportation - Regular and Vocational	263,146	455,905	99,266	-	-	-	2,911,343
Transportation - Special Education	188,530	289,597	49,429	-	-	-	1,585,357
ROE School Bus Driver Training	-	-	-	-	908	-	908
National Board Certification	1,760	8,802	-	-	-	-	31,687
Truants Alternative/Optional Education	-	90,539	-	-	356,644	-	447,183
Regional Safe Schools	-	-	-	-	90,429	-	90,429
Early Childhood - Block Grant	157,954	307,169	100,647	-	519,610	-	2,481,630
Reading Improvement Block Grant	20,705	30,619	5,888	-	-	-	163,660
ROE/ISC Operations	-	-	-	-	57,527	-	57,527
ADA Safety and Educational Block Grant	5,265	8,707	1,608	-	-	-	44,205
Technology - Learning Technology Centers	-	-	-	-	158,219	-	158,219
Children's Mental Health	31,513	-	-	-	-	-	31,513
Title VI Rural Education	29,957	-	-	-	-	-	29,957
National School Lunch Program	201,889	360,439	59,033	-	-	-	1,762,365
Special Milk Program	-	1,987	-	-	-	-	6,764
School Breakfast Program	65,708	106,265	17,339	-	-	-	582,009
NSLP Equipment Asst. Grant	-	-	-	-	-	-	28,916
Title I - Low Income	336,955	454,775	89,041	-	-	-	2,378,075
Title I - Reading First Part B SEA Funds	-	-	-	-	473	-	473
Title IV - Safe and Drug Free Sch - Formula	711	-	-	-	-	-	2,894
21st Century Learning	-	145,135	-	-	-	-	145,135
Federal - Special Ed - IDEA - Room and Board	119,700	334	-	-	-	-	300,284
V.E. - Perkins - Title IIC - Secondary	-	-	-	64,277	-	76,147	140,424
ARRA Title I	11,598	-	-	-	-	-	211,765
ARRA Education Jobs	519,450	682,639	135,349	-	39,197	-	3,020,317
Title II - Teacher Quality	52,883	93,427	27,507	-	-	-	597,395
Title II - Leadership	-	-	-	-	92,138	-	92,138
Technology - Enhancing Education - Formula	-	-	-	-	-	-	591
TOTAL	\$ 8,141,315	\$ 11,304,643	\$ 2,368,937	\$ 307,861	\$ 1,745,653	\$ 406,691	\$ 55,593,596