

State of Illinois
LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2011

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

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47**

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**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47**

OFFICIALS

Regional Superintendent
(current and during the audit period)

Honorable Amy Jo Clemens

Assistant Regional Superintendent
(current and during the audit period)

Mr. Paul McMahon

Office is located at:

7772 Clinton St.
Dixon, IL 61021

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47**

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

Details of audit findings are included in a separate report section.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

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

11-1	12-13	Controls Over Financial Statement Preparation	Significant Deficiency
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FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47**

COMPLIANCE REPORT SUMMARY

EXIT CONFERENCE

The Lee/Ogle Counties Regional Office of Education No. 47 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2011. Throughout the audit, numerous meetings were held between auditors and Regional Office of Education officials to discuss the matters contained in this audit report. Responses to the recommendations were provided by Honorable Amy Jo Clemens, Regional Superintendent, on March 20, 2012.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Lee/Ogle Counties Regional Office of Education No. 47 was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed an unqualified opinion on the Lee/Ogle Counties Regional Office of Education No. 47's basic financial statements.

INDEPENDENT AUDITORS' 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 Lee/Ogle Counties Regional Office of Education No. 47, as of and for the year ended June 30, 2011, which collectively comprise the Lee/Ogle Counties Regional Office of Education No. 47's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lee/Ogle Counties Regional Office of Education No. 47's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lee/Ogle Counties Regional Office of Education No. 47, 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 Lee/Ogle Counties Regional Office of Education No. 47 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 any of the Lee/Ogle Counties Regional Office of Education No. 47's governmental funds' assets or liabilities nor was there any effect to the total amount of any of the Lee/Ogle Counties Regional Office of Education No. 47's governmental fund balances as of and for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2012 on our consideration of Lee/Ogle Counties Regional Office of Education No. 47'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 18 through 30 and 65 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 Lee/Ogle Counties Regional Office of Education No. 47's basic financial statements. The accompanying supplementary information, such as the combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Lee/Ogle Counties Regional Office of Education No. 47. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
April 6, 2012



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Winkel, Parker
& Foster, CPA PC

Certified Public Accountants & Consultants

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lee/Ogle Counties Regional Office of Education No. 47, as of and for the year ended June 30, 2011, which collectively comprise the Lee/Ogle Counties Regional Office of Education No. 47's basic financial statements and have issued our report thereon dated April 6, 2012. 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 Lee/Ogle Counties Regional Office of Education No. 47 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Lee/Ogle Counties Regional Office of Education No. 47'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 and not for the purpose of expressing an opinion on the effectiveness of the Lee/Ogle Counties Regional Office of Education No. 47's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lee/Ogle Counties Regional Office of Education No. 47'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 the 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. However, we identified a certain deficiency in internal control over financial reporting, described in finding 11-1 in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lee/Ogle Counties Regional Office of Education No. 47'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*.

The Lee/Ogle Counties Regional Office of Education No. 47's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Lee/Ogle Counties Regional Office of Education No. 47's response and, accordingly, we express no opinion on it.

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

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
April 6, 2012



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

Certified Public Accountants & Consultants

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the Lee/Ogle Counties Regional Office of Education No. 47's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lee/Ogle Counties Regional Office of Education No. 47's major federal programs for the year ended June 30, 2011. The Lee/Ogle Counties Regional Office of Education No. 47's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Lee/Ogle Counties Regional Office of Education No. 47's management. Our responsibility is to express an opinion on the Lee/Ogle Counties Regional Office of Education No. 47's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lee/Ogle Counties Regional Office of Education No. 47's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Lee/Ogle Counties Regional Office of Education No. 47's compliance with those requirements.

In our opinion, the Lee/Ogle Counties Regional Office of Education No. 47 complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the Lee/Ogle Counties Regional Office of Education No. 47 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Lee/Ogle Counties Regional Office of Education No. 47's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lee/Ogle Counties Regional Office of Education No. 47's internal control over compliance.

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

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

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

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
April 6, 2012

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

Section I: Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: _____ Unqualified _____

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? x yes _____ none reported
- Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditor's report issued on compliance for major programs:
_____ Unqualified _____

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.196A	McKinney Education for Homeless Children
84.387A	ARRA - McKinney Education for Homeless Children
84.389A	ARRA Title I - School Improvement
84.010A	Regional System of Support Providers (Title I - School Improvement)

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

Auditee qualified as low-risk auditee? _____ yes x no

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

Section II: Financial Statement Findings:

FINDING NO. 11-1 - Controls Over Financial Statement Preparation (Repeat from 2010 - No. 10-1 and 2009 - No. 09-1)

Criteria/Specific Requirement:

The Regional Office of Education No. 47 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education No. 47 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner. Auditors, in their review of the Regional Office's accounting records, noted adjustments were required to present the financial statements in accordance with generally accepted accounting principles.

Effect:

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

Cause:

Management prepared a listing of adjustments needed to present the financial statements in accordance with generally accepted accounting principles. Management's review process of this listing, however, did not effectively detect all of the adjustments needed.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

Section II: Financial Statement Findings:

FINDING NO. 11-1 - Controls Over Financial Statement Preparation (Repeat from 2010 - No. 10-1 and 2009 - No. 09-1) (Continued)

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education No. 47 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

As part of our internal control over the preparation of our financial statements, the Regional Office of Education No. 47 has implemented a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures are complete and accurate on a monthly basis. The Regional Superintendent will continue to review all financial statements (including accruals) striving to be as accurate as possible, hoping to eliminate this finding in the future.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

Section III: Findings and Questioned Costs for Federal Awards:

NONE

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2011**

FINDING NO. 11-1 - Controls Over Financial Statement Preparation (Repeat from 2010 - No. 10-1 and 2009 - No. 09-1)

Condition:

The Regional Office of Education No. 47 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner. Auditors, in their review of the Regional Office's accounting records, noted adjustments were required to present the financial statements in accordance with generally accepted accounting principles.

Plan:

As part of our internal control over the preparation of our financial statements, the Regional Office of Education No. 47 will continue to provide a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures are complete and accurate. Unfortunately, hiring an individual trained in Generally Accepted Accounting Principles will probably still be cost-prohibitive to our small government entity.

Anticipated Completion Date:

Immediately

Contact Person Responsible for Corrective Action:

Honorable Amy Jo Clemens, Regional Superintendent

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2011**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
10-1	Controls Over Financial Statement Preparation	Repeated

Management's Discussion and Analysis

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Lee/Ogle Counties Regional Office of Education No. 47 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. We encourage readers to consider this information in conjunction with Lee/Ogle Counties Regional Office of Education No. 47's financial statements, which follow.

During fiscal year 2011 the Lee/Ogle Counties Regional Office of Education No. 47 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 12 to the financial statements. Because of these reclassifications, the fund analysis is not comparable between fiscal year 2010 and fiscal year 2011.

2011 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$664,845 in fiscal year 2010 to \$1,293,757 in fiscal year 2011, while General Fund expenditures also increased from \$634,602 in fiscal year 2010 to \$1,212,423 in fiscal year 2011. The reason for the change is primarily due to an increase in on-behalf payments and fund reclassifications.
- Education Fund revenues decreased from \$2,150,517 in fiscal year 2010 to \$1,823,105 in fiscal year 2011. Expenses also decreased from \$2,344,248 in fiscal year 2010 to \$1,608,073 in fiscal year 2011. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs have decreased funding or are discontinued while others see a funding increase. The decrease in revenues and expenses in the Education Fund is also due to fund reclassifications.
- Institute Fund revenues decreased from \$25,104 in fiscal year 2010 to \$14,575 in fiscal year 2011. Expenses in the Institute Fund decreased from \$17,583 in fiscal year 2010 to \$7,254 in fiscal year 2011. The decreases were primarily due to a decrease in the number of professional development workshops offered.
- Enterprise Fund revenues decreased from \$113,615 in fiscal year 2010 to \$95,411 in fiscal year 2011. Enterprise Fund expenses decreased from \$117,083 in fiscal year 2010 to \$107,950 in fiscal year 2011. These decreases were primarily due a decrease in the number of attendees in our professional development workshops.
- Government-wide revenues decreased by approximately 6% from \$3,239,730 in fiscal year 2010 to \$3,030,509 in fiscal year 2011. Government-wide expenses decreased by approximately 2% from \$3,060,149 in fiscal year 2010 to \$2,994,901 in fiscal year 2011.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47 as a whole and present an overall view of Lee/Ogle Counties Regional Office of Education No. 47's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Lee/Ogle Counties Regional Office of Education No. 47's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Lee/Ogle Counties Regional Office of Education No. 47 acts solely as an agent or custodian for the benefit of those outside of Lee/Ogle Counties Regional Office of Education No. 47.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplemental Information further explains and supports the financial statements with information about the Illinois Municipal Retirement Fund Schedule of Funding Progress.

Other Supplemental Information provides detailed information about the major and nonmajor funds.

Figure A-1 summarizes the major features of Lee/Ogle Counties Regional Office of Education No. 47's financial statements, including the portion of Lee/Ogle Counties Regional Office of Education No. 47's activities they cover and the types of information they contain.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

**Figure A-1
Major Features of the Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Regional Office of Education No. 47 (except fiduciary funds)	The activities of Regional Office of Education No. 47 that are not proprietary or fiduciary, such as grants and statutory funds	Activities Regional Office of Education No. 47 operates similar to private businesses: workshops	Instances in which Regional Office of Education No. 47 administers resources on behalf of someone else, such as the distributive fund and Private Purpose Trust Fund
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Revenues, Expenses, and Changes in Fund Net Assets • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Assets • Statement of Changes in Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

**REPORTING LEE/OGLE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 47'S
FINANCIAL ACTIVITIES**

Government-wide Financial Statements

The government-wide financial statements report information about Lee/Ogle Counties Regional Office of Education No. 47 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of Lee/Ogle Counties Regional Office of Education No. 47's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report Lee/Ogle Counties Regional Office of Education No. 47's net assets and how they have changed. Net assets - the difference between Lee/Ogle Counties Regional Office of Education No. 47's assets and liabilities - are one way to measure Lee/Ogle Counties Regional Office of Education No. 47's financial health or financial position. Over time, increases or decreases in Lee/Ogle Counties Regional Office of Education No. 47's net assets are an indicator of whether financial position is improving or deteriorating. To assess Lee/Ogle Counties Regional Office of Education No. 47's overall health, additional non-financial factors, such as changes in Lee/Ogle Counties Regional Office of Education No. 47's grant funding and the condition of facilities need to be considered.

In the government-wide financial statements, Lee/Ogle Counties Regional Office of Education No. 47's activities are divided into two categories:

- *Governmental activities:* Most of Lee/Ogle Counties Regional Office of Education No. 47's basic services are included here, such as grants and statutory funds. Federal and state grant proceeds finance most of these activities.
- *Business-type activities:* Lee/Ogle Counties Regional Office of Education No. 47 charges fees to help cover the costs of certain services it provides. Lee/Ogle Counties Regional Office of Education No. 47's business-type activities can be found on pages 38-40.

Fund Financial Statements

The fund financial statements provide more detailed information about Lee/Ogle Counties Regional Office of Education No. 47's funds, focusing on its most significant or "major" funds - not Lee/Ogle Counties Regional Office of Education No. 47 as a whole. Funds are accounting devices Lee/Ogle Counties Regional Office of Education No. 47 uses to keep track of specific sources of funding and spending on particular programs.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Some funds are required by state law. Lee/Ogle Counties Regional Office of Education No. 47 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.

Lee/Ogle Counties Regional Office of Education No. 47 has three kinds of funds:

1) *Governmental funds*: Most of Lee/Ogle Counties Regional Office of Education No. 47's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) 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 financial resources that can be spent in the near future to finance Lee/Ogle Counties Regional Office of Education No. 47's programs.

Lee/Ogle Counties Regional Office of Education No. 47's governmental funds include the General Fund and Special Revenue Funds.

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

2) *Proprietary funds*: Services for which Lee/Ogle Counties Regional Office of Education No. 47 charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. Lee/Ogle Counties Regional Office of Education No. 47's Enterprise Funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. Lee/Ogle Counties Regional Office of Education No. 47 currently has three Enterprise Funds, the School Improvement Plan (SIP), the Workshop fund, and the Fingerprinting fund.

The required financial statements for proprietary funds 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*: Lee/Ogle Counties Regional Office of Education No. 47 is the trustee for assets that belong to others. These funds include a Private-Purpose Trust Fund and Agency Funds.

- Private-Purpose Trust Fund - This is a fund that contains funds that remain on account from the interest accumulated when the Regional Office collected and distributed state funds to the districts. This practice was phased-out over several years as individual districts were able to accept electronic funds from the state into their local banks. The practice was totally eliminated before 2006, yet the interest has continued to be held by the Regional Office in this fund.
- Agency Funds - These are funds through which Lee/Ogle Counties Regional Office of Education No. 47 administers and accounts for certain federal and/or state grants on behalf of others.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Lee/Ogle Counties Regional Office of Education No. 47 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. Lee/Ogle Counties Regional Office of Education No. 47 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of Lee/Ogle Counties Regional Office of Education No. 47, assets exceeded liabilities by \$696,327 as of June 30, 2011.

A portion of Lee/Ogle Counties Regional Office of Education No. 47's net assets (14%) reflects its investment in capital assets (e.g., furniture and equipment).

Lee/Ogle Counties Regional Office of Education No. 47's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of Lee/Ogle Counties Regional Office of Education No. 47's net assets for the fiscal year ended June 30, 2011 and 2010.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

<u>2011</u>	Governmental Activities	Business- Type Activities	Total
Current assets	\$ 729,368	\$ 57,752	\$ 787,120
Capital assets, net of accumulated depreciation	<u>96,018</u>	<u>-</u>	<u>96,018</u>
Total assets	<u>825,386</u>	<u>57,752</u>	<u>883,138</u>
Current liabilities	<u>182,840</u>	<u>3,971</u>	<u>186,811</u>
Net assets			
Invested in capital assets	96,018	-	96,018
Unrestricted	490,966	53,781	544,747
Restricted for educational purposes	<u>55,562</u>	<u>-</u>	<u>55,562</u>
Total net assets	<u>\$ 642,546</u>	<u>\$ 53,781</u>	<u>\$ 696,327</u>
<u>2010</u>	Governmental Activities	Business- Type Activities	Total
Current assets	\$ 705,110	\$ 70,691	\$ 775,801
Capital assets, net of accumulated depreciation	<u>128,360</u>	<u>-</u>	<u>128,360</u>
Total assets	<u>833,470</u>	<u>70,691</u>	<u>904,161</u>
Current liabilities	<u>243,342</u>	<u>100</u>	<u>243,442</u>
Net assets			
Invested in capital assets	128,360	-	128,360
Unrestricted	423,211	70,591	493,802
Restricted for educational purposes	<u>38,557</u>	<u>-</u>	<u>38,557</u>
Total net assets	<u>\$ 590,128</u>	<u>\$ 70,591</u>	<u>\$ 660,719</u>

The largest portion of Lee/Ogle Counties Regional Office of Education No. 47's net assets is unrestricted. Unrestricted net assets are the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. Unrestricted net assets were \$544,747 at year end. In addition, net assets related to the Institute Fund, Education Fund, and Non-Major Funds are considered restricted for educational purposes.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Changes in net assets. Lee/Ogle Counties Regional Office of Education No. 47's total revenue for the fiscal year ended June 30, 2011 was \$3,030,509. The total cost of all programs and services was \$2,994,901. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2011 and 2010.

<u>2011</u>	Governmental Activities	Business- Type Activities	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 95,411	\$ 95,411
Operating grants and contributions	2,043,706	-	2,043,706
General revenues			
Local sources	345,367	-	345,367
State sources	70,585	-	70,585
On-behalf payment	<u>475,440</u>	<u>-</u>	<u>475,440</u>
Total revenues	<u>2,935,098</u>	<u>95,411</u>	<u>3,030,509</u>
Expenses:			
Education			
Salaries	968,893	2,000	970,893
Benefits	156,048	678	156,726
Purchased services	518,430	101,093	619,523
Supplies and materials	46,343	4,179	50,522
Depreciation	35,689	-	35,689
Payments to other governments	685,573	-	685,573
Capital outlay	535	-	535
Administrative			
On-behalf payments	<u>475,440</u>	<u>-</u>	<u>475,440</u>
Total expenses	<u>2,886,951</u>	<u>107,950</u>	<u>2,994,901</u>
Income (loss) before transfers	48,147	(12,539)	35,608
Transfers	<u>2,399</u>	<u>(2,399)</u>	<u>-</u>
Change in net assets	50,546	(14,938)	35,608
Net assets, beginning as restated	<u>592,000</u>	<u>68,719</u>	<u>660,719</u>
Net assets, ending	<u>\$ 642,546</u>	<u>\$ 53,781</u>	<u>\$ 696,327</u>

Operating grants and contributions account for 67% of the total revenue. Lee/Ogle Counties Regional Office of Education No. 47's expenses primarily relate to education, which account for 84% of the total expenses.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

<u>2010</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ -	\$ 113,615	\$ 113,615
Operating grants and contributions	2,225,598	-	2,225,598
General revenues			
Local sources	384,301	-	384,301
State sources	83,414	-	83,414
On-behalf payment	<u>432,802</u>	<u>-</u>	<u>432,802</u>
Total revenues	<u>3,126,115</u>	<u>113,615</u>	<u>3,239,730</u>
Expenses:			
Education			
Salaries	879,528	1,570	881,098
Benefits	131,027	-	131,027
Purchased services	615,552	112,033	727,585
Supplies and materials	144,782	2,920	147,702
Depreciation	32,264	-	32,264
Payments to other governments	706,692	-	706,692
Capital outlay	419	560	979
Administrative			
On-behalf payments	<u>432,802</u>	<u>-</u>	<u>432,802</u>
Total expenses	<u>2,943,066</u>	<u>117,083</u>	<u>3,060,149</u>
Change in net assets	183,049	(3,468)	179,581
Net assets, beginning	<u>407,079</u>	<u>74,059</u>	<u>481,138</u>
Net assets, ending	<u>\$ 590,128</u>	<u>\$ 70,591</u>	<u>\$ 660,719</u>

Operating grants and contributions account for 69% of the total revenue. Lee/Ogle Counties Regional Office of Education No. 47's expenses primarily relate to education, which account for 86% of the total expenses.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Governmental Activities

Revenues for governmental activities were \$2,935,098 and \$3,126,115 and expenses were \$2,886,951 and \$2,943,066 for 2011 and 2010, respectively.

The following tables present the cost of Lee/Ogle Counties Regional Office of Education No. 47's functional governmental activities. The tables also show each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and Lee/Ogle Counties Regional Office of Education No. 47's residents by each of these functions.

2011

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Education		
Salaries	\$ 968,893	\$ (136,614)
Benefits	156,048	(22,003)
Purchased services	518,430	(73,099)
Supplies and materials	46,343	(6,534)
Depreciation	35,689	(35,689)
Payments to other governments	685,573	(96,666)
Capital outlay	535	2,800
Administrative		
On-behalf payments	<u>475,440</u>	<u>(475,440)</u>
Total expenses	<u>\$ 2,886,951</u>	<u>\$ (843,245)</u>

2010

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Education		
Salaries	\$ 879,528	\$ (125,773)
Benefits	131,027	(18,737)
Purchased services	615,552	(88,024)
Supplies and materials	144,782	(20,704)
Depreciation	32,264	(32,264)
Payments to other governments	706,692	(101,057)
Capital outlay	419	101,893
Administrative		
On-behalf payments	<u>432,802</u>	<u>(432,802)</u>
Total expenses	<u>\$ 2,943,066</u>	<u>\$ (717,468)</u>

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

- The cost of all governmental activities was \$2,886,951 and \$2,943,066 for 2011 and 2010, respectively.
- Federal and state governments subsidized certain governmental activities with grants and contributions of \$2,043,706 and \$2,225,598 for 2011 and 2010, respectively.

Net cost of governmental activities (\$843,245), was financed by general revenues, which are made up of primarily local sources (\$345,367), state sources (\$70,585), and on-behalf payments (\$475,440) for 2011.

Net cost of governmental activities (\$717,468), was financed by general revenues, which are made up of primarily local sources (\$384,301), state sources (\$83,414), and on-behalf payments (\$432,802) for 2010.

Business-Type Activities

Revenues for business-type activities were \$95,411 and \$113,615 and expenses were \$107,950 and \$117,083 for 2011 and 2010, respectively. Lee/Ogle Counties Regional Office of Education No. 47's business-type activities include the School Improvement Plan (SIP), the Workshops fund, and the Fingerprinting fund. Revenues of these activities were comprised of charges for service and local reimbursements.

INDIVIDUAL FUND ANALYSIS

As previously noted, Lee/Ogle Counties Regional Office of Education No. 47 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of Lee/Ogle Counties Regional Office of Education No. 47 as a whole is reflected in its governmental funds, as well. As Lee/Ogle Counties Regional Office of Education No. 47 completed the year, its governmental funds reported a combined fund balance of \$512,830, above last year's ending fund balances of \$207,051.

Governmental Fund Highlights

The General Fund fund balance increased from \$347,815 in 2010 to \$481,048 in 2011. The General Fund fund balance increase was mostly attributable to fund reclassifications.

The Education Fund fund balance increased from \$(183,073) in 2010 to \$(17,541) in 2011. The Education Fund is primarily made up of grants the Regional Office receives and this can vary greatly from year to year as some programs are discontinued while others see a funding increase. Additionally, in fiscal year 2010 there were approximately \$254,717 of receivables that were received after 60 days after year end. These revenues were not recognized in the governmental fund financial statements, as they were not considered available. In 2011, there was only \$33,698 of receivables that were received after 60 days after year end. Over the various programs that make up the fund, total revenues exceeded expenditures by \$215,032 thus increasing fund balance in fiscal year 2011.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Proprietary Fund Highlights

Enterprise Fund net assets decreased from \$70,591 at June 30, 2010 to \$53,781 at June 30, 2011. The School Improvement Plan's (SIP) assets are primarily made up of funds the Regional Office receives for providing professional development activities to the districts which are based on their school improvement plans. The Workshops fund's assets are primarily made up of funds the Regional Office receives for providing professional development to individual teachers. These teachers use these activities to satisfy their certificate renewal requirements. The Fingerprinting fund activity is primarily made up of revenues and expenditures the Regional Office receives for providing fingerprinting services to the community.

The Enterprise Fund revenues decreased from \$113,615 in fiscal year 2010 to \$95,411 in fiscal year 2011. Revenue in the Enterprise Fund is largely dependent on participation in the ROE workshops, which varies from year to year.

BUDGETARY HIGHLIGHTS

Lee/Ogle Counties Regional Office of Education No. 47 is not required to create a budget for overall operations. They are required to prepare budgets for most of the grants they receive. Over the course of the year, Lee/Ogle Counties Regional Office of Education No. 47 amended several of the grant budgets within the Education Fund. Budgets for grant programs are adjusted because of an increase or decrease in funding due to changes at the State level or to better allocate funds received to meet the needs of the program.

CAPITAL ASSETS

As of June 30, 2011, Lee/Ogle Counties Regional Office of Education No. 47 had invested \$96,018 in capital assets, including furniture and equipment. This is a decrease of \$32,342 from invested in capital assets, including furniture and equipment on June 30, 2010. Total depreciation expense for the year was \$35,689.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2011.

	Governmental Activities	Business-Type Activities	Total
Furniture and equipment	<u>\$ 96,018</u>	<u>\$ -</u>	<u>\$ 96,018</u>

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2010.

	Governmental Activities	Business-Type Activities	Total
Furniture and equipment	<u>\$ 128,360</u>	<u>\$ -</u>	<u>\$ 128,360</u>

Additional information on Lee/Ogle Counties Regional Office of Education No. 47's capital assets can be found in Note 4 on page 54 of this report.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

ECONOMIC FACTORS BEARING ON LEE/OGLE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 47'S FUTURE

At the time these financial statements were prepared and audited, Lee/Ogle Counties Regional Office of Education No. 47 was aware of several existing circumstances that could significantly affect its financial health in the future:

The loss of several grants due to inadequate funding through the Illinois State Board of Education: Social Emotional Learning, Title I ARRA School Improvement, Preschool for All Monitoring, Teacher Pilot Mentoring Program, Illinois New Principal Mentoring, Learning Improvement Through Non-Traditional Curriculum (LINC), Title I - Reading First Part B SEA, Gifted Education, ROE Operations and other ARRA funds. In late 2011 the Lee/Ogle Regional Office of Education No. 47 was informed that they had been awarded the Illinois state IDEA Improvement Grant for the creation of the Illinois Response to Intervention Network. This project will bring approximately \$1.5 million into the Lee/Ogle Regional Office of Education No. 47, though much of it will be transferred to other Regional Offices of Education across the state to support Response to Intervention activities in all 102 counties.

CONTACTING LEE/OGLE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 47'S FINANCIAL MANAGEMENT

This financial report is designed to provide Lee/Ogle Counties Regional Office of Education No. 47's citizens, taxpayers, customers, and creditors with a general overview of Lee/Ogle Counties Regional Office of Education No. 47's finances and to demonstrate Lee/Ogle Counties Regional Office of Education No. 47's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lee/Ogle Counties Regional Office of Education No. 47, 7772 Clinton Street, Dixon, Illinois 61021.

BASIC FINANCIAL STATEMENTS

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
STATEMENT OF NET ASSETS
June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 243,856	\$ 72,284	\$ 316,140
Prepaid expenses	260	-	260
Due from other governments	469,433	1,287	470,720
Due from (to) other funds	15,819	(15,819)	-
Total current assets	729,368	57,752	787,120
Non-current assets:			
Capital assets, being depreciated, net	96,018	-	96,018
Total assets	825,386	57,752	883,138
LIABILITIES			
Current liabilities:			
Accounts payable	58,194	3,971	62,165
Due to other governments	50,961	-	50,961
Deferred revenue	73,685	-	73,685
Total current liabilities	182,840	3,971	186,811
NET ASSETS			
Invested capital assets	96,018	-	96,018
Unrestricted	490,966	53,781	544,747
Restricted for educational purposes	55,562	-	55,562
Total net assets	\$ 642,546	\$ 53,781	\$ 696,327

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

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
STATEMENT OF ACTIVITIES
Year Ended June 30, 2011**

EXHIBIT B

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	Primary Government		
				<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary government:						
Governmental activities:						
Education:						
Salaries	\$ 968,893	\$ -	\$ 832,279	\$ (136,614)	\$ -	\$ (136,614)
Benefits	156,048	-	134,045	(22,003)	-	(22,003)
Purchased services	518,430	-	445,331	(73,099)	-	(73,099)
Supplies and materials	46,343	-	39,809	(6,534)	-	(6,534)
Depreciation	35,689	-	-	(35,689)	-	(35,689)
Payments to other governments	685,573	-	588,907	(96,666)	-	(96,666)
Capital outlay	535	-	3,335	2,800	-	2,800
Administrative:						
On-behalf payments	475,440	-	-	(475,440)	-	(475,440)
Total governmental activities	2,886,951	-	2,043,706	(843,245)	-	(843,245)
Business-type activities:						
Other	107,950	95,411	-	-	(12,539)	(12,539)
Total primary government	\$ 2,994,901	\$ 95,411	\$ 2,043,706	(843,245)	(12,539)	(855,784)
General revenues:						
Local sources				345,367	-	345,367
State sources				70,585	-	70,585
On-behalf payments				475,440	-	475,440
Transfers				2,399	(2,399)	-
Total general revenues and transfers				893,791	(2,399)	891,392
CHANGES IN NET ASSETS				50,546	(14,938)	35,608
NET ASSETS, BEGINNING OF YEAR AS RESTATED				592,000	68,719	660,719
NET ASSETS, END OF YEAR				\$ 642,546	\$ 53,781	\$ 696,327

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

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011**

EXHIBIT C

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>	<u>Other Non-Major Funds</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 136,315	\$ 56,601	\$ 45,878	\$ 5,062	\$ 243,856
Prepaid expenses	260	-	-	-	260
Due from other governments	40,520	422,522	-	6,391	469,433
Due from other funds	<u>364,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364,190</u>
TOTAL ASSETS	<u>\$ 541,285</u>	<u>\$ 479,123</u>	<u>\$ 45,878</u>	<u>\$ 11,453</u>	<u>\$ 1,077,739</u>
LIABILITIES AND FUND BALANCE (DEFICIT)					
LIABILITIES					
Accounts payable	\$ 28,630	\$ 27,947	\$ -	\$ 1,617	\$ 58,194
Due to other governments	-	50,961	-	-	50,961
Due to other funds	13,300	335,071	-	-	348,371
Deferred revenue	<u>18,307</u>	<u>82,685</u>	<u>-</u>	<u>6,391</u>	<u>107,383</u>
Total liabilities	<u>60,237</u>	<u>496,664</u>	<u>-</u>	<u>8,008</u>	<u>564,909</u>
FUND BALANCE (DEFICIT)					
Nonspendable	260	-	-	-	260
Restricted	-	1	45,878	3,951	49,830
Assigned	31,689	-	-	-	31,689
Unassigned	<u>449,099</u>	<u>(17,542)</u>	<u>-</u>	<u>(506)</u>	<u>431,051</u>
Total fund balance (deficit)	<u>481,048</u>	<u>(17,541)</u>	<u>45,878</u>	<u>3,445</u>	<u>512,830</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 541,285</u>	<u>\$ 479,123</u>	<u>\$ 45,878</u>	<u>\$ 11,453</u>	<u>\$ 1,077,739</u>

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

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2011

Total fund balance of governmental funds (page 34)	\$	512,830
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		96,018
Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		<u>33,698</u>
Net assets of governmental activities (page 32)	\$	<u>642,546</u>

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

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>	<u>Other Non-Major Funds</u>	<u>Total</u>
REVENUES:					
Local sources	\$ 224,442	\$ 87,758	\$ 14,575	\$ 23,777	\$ 350,552
State sources	544,315	803,246	-	903	1,348,464
Federal sources	49,560	932,101	-	-	981,661
On-behalf payments	475,440	-	-	-	475,440
Total revenues	<u>1,293,757</u>	<u>1,823,105</u>	<u>14,575</u>	<u>24,680</u>	<u>3,156,117</u>
EXPENDITURES:					
Education:					
Salaries	318,435	639,651	-	10,807	968,893
Benefits	41,416	113,548	-	1,084	156,048
Purchased services	141,022	358,826	6,565	12,017	518,430
Supplies and materials	18,508	24,814	70	2,951	46,343
Payments to other governments	216,983	468,590	-	-	685,573
On-behalf payments	475,440	-	-	-	475,440
Capital outlay	619	2,644	619	-	3,882
Total expenditures	<u>1,212,423</u>	<u>1,608,073</u>	<u>7,254</u>	<u>26,859</u>	<u>2,854,609</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>81,334</u>	<u>215,032</u>	<u>7,321</u>	<u>(2,179)</u>	<u>301,508</u>
OTHER FINANCING SOURCES					
Transfer In	-	2,399	-	-	2,399
NET CHANGE IN FUND BALANCE (DEFICIT)	81,334	217,431	7,321	(2,179)	303,907
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	<u>399,714</u>	<u>(234,972)</u>	<u>38,557</u>	<u>5,624</u>	<u>208,923</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 481,048</u>	<u>\$ (17,541)</u>	<u>\$ 45,878</u>	<u>\$ 3,445</u>	<u>\$ 512,830</u>

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

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011**

Net change in fund balance (page 36) **\$ 303,907**

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

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

Capital outlay	\$ 3,347	
Depreciation expense	<u>(35,689)</u>	(32,342)

Some receivables will not be collected for several
months after the fiscal year end, so they are
not considered as "available" revenues in the
governmental funds, and they are instead
counted as deferred revenues. They are,
however, recorded as revenues in the
Statement of Activities.

Fiscal year 2010 deferred revenue recognized in fiscal year 2011	(254,717)	
Fiscal year 2011 deferred revenue	<u>33,698</u>	<u>(221,019)</u>

Change in net assets of governmental activities (page 33) **\$ 50,546**

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

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 June 30, 2011

	Business-Type Activities Enterprise Funds		
	Other Non-Major Funds		
	<u>Workshops</u>	<u>Funds</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 72,284	\$ -	\$ 72,284
Due from other governments	1,175	112	1,287
Total current assets	73,459	112	73,571
LIABILITIES			
Current liabilities:			
Accounts payable	1,480	2,491	3,971
Due to other funds	-	15,819	15,819
Total current liabilities	1,480	18,310	19,790
NET ASSETS			
Unrestricted	\$ 71,979	\$ (18,198)	\$ 53,781

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

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	Business-Type Activities		
	Enterprise Funds		
	<u>Workshops</u>	<u>Other Non-Major Funds</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 42,994	\$ 52,417	\$ 95,411
Operating expenses:			
Education:			
Salaries	-	2,000	2,000
Benefits	-	678	678
Purchased services	30,913	70,180	101,093
Supplies and materials	2,029	2,150	4,179
Total operating expenses	32,942	75,008	107,950
Operating income (loss)			
before transfers	10,052	(22,591)	(12,539)
Transfer out	-	(2,399)	(2,399)
Increase (decrease) in net assets	10,052	(24,990)	(14,938)
Net assets, beginning of year as restated	61,927	6,792	68,719
Net assets, end of year	\$ 71,979	\$ (18,198)	\$ 53,781

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

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2011**

	Business-Type Activities		
	Enterprise Funds		
	<u>Workshops</u>	<u>Other Non-Major Funds</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from workshops and services	\$ 45,244	\$ 52,456	\$ 97,700
Payments to suppliers and providers of goods and services	(31,562)	(70,079)	(101,641)
Payments to employees	-	(2,678)	(2,678)
Net cash provided by (used in) operating activities	<u>13,682</u>	<u>(20,301)</u>	<u>(6,619)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	-	(2,399)	(2,399)
Interfund loans	-	14,036	14,036
Net cash provided by noncapital financing activities	<u>-</u>	<u>11,637</u>	<u>11,637</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,682	(8,664)	5,018
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>58,602</u>	<u>8,664</u>	<u>67,266</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 72,284</u>	<u>\$ -</u>	<u>\$ 72,284</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 10,052	\$ (22,591)	\$ (12,539)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Decrease in due from other governments	2,250	39	2,289
Increase in accounts payable	1,380	2,251	3,631
	<u>3,630</u>	<u>2,290</u>	<u>5,920</u>
Net cash provided by (used in) operating activities	<u>\$ 13,682</u>	<u>\$ (20,301)</u>	<u>\$ (6,619)</u>

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

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2011

	Private- Purpose Trust <u>Fund</u>	Agency <u>Funds</u>
ASSETS		
Current assets:		
Cash	\$ 27,518	\$ 20,359
LIABILITIES		
Current liabilities:		
Due to other governmental agencies	<u> -</u>	<u>20,359</u>
NET ASSETS		
Unrestricted		
Held in trust for other purposes	<u>\$ 27,518</u>	<u>\$ -</u>

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

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended June 30, 2011**

	Private- Purpose Trust <u>Fund</u>
ADDITIONS	
None	\$ -
DEDUCTIONS	
Miscellaneous	<u>41</u>
Change in net assets	(41)
Net assets, beginning of year	<u>27,559</u>
Net assets, end of year	<u>\$ 27,518</u>

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

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lee/Ogle Counties Regional Office of Education No. 47 was formed under the provisions of the State of Illinois, Illinois State Board of Education. The Lee/Ogle Counties Regional Office of Education No. 47 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education No. 47 encompasses Lee/Ogle Counties in Illinois. A Regional Superintendent of Schools serves as chief administrative officer and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

Reporting Entity

The Regional Superintendent is charged with:

- The elevation of the standard of teaching (Article 3), which includes but is not limited to conducting teacher institutes, writing and delivering various educational grants as are needed by the districts, listing unfilled teaching positions and providing assistance in grant writing.
- Maintaining pupil compulsory attendance (Article 26), which includes but is not limited to serving as county truancy officer, providing various truancy prevention programs and services, delivering graduation incentive programs and various home school and other private school registration.
- Supervision and control of school districts (Article 3), which includes but is not limited to conducting ISBE required compliance reviews, official advisor to school officers and teachers, visitation to all public schools, retaining accurate maps and boundary changes, review of district and joint agreement Annual Financial Reports, review of district treasurer bonds, public ombudsman services, recommendation of school and district recognition along with removal of school board members when necessary.
- Inspection of schools for health/life safety (Article 3), which includes but is not limited to annual walk through inspections, school building plan reviews, condemnation of school buildings, and bus driver training and permits.
- Secretary to the Regional Board of School Trustees (Article 5, 6, 7, 11B and 11E), which includes but is not limited to conducting the hearings for any petitions submitted for annexation or detachment from districts, district consolidation or withdrawal from joint agreements.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Teacher certification (Article 21 and 21A), which includes but is not limited to registering educational certificates for all teachers, principals, school support personnel, and paraprofessionals in the region, filing applications for all certificates, endorsements and approvals, completing all certificate renewal reviews and audits, review district teacher assignments, review district paraprofessional assignments, complete highly qualified teacher audits, maintain substitute teacher list and personnel files, along with required criminal background checks.
- Schools for special purposes (Article 13 A and B), which includes but is not limited to Regional Safe Schools for expelled or multiply suspended students and alternative learning opportunities programs.
- High school equivalency testing (Article 3), which includes but is not limited to completing GED preparation and testing along with maintaining transcripts and other records.

The Lee/Ogle Counties Regional Office of Education No. 47's reporting entity includes all related organizations for which it exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

The Lee/Ogle Counties Regional Office of Education No. 47 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Lee/Ogle Counties Regional Office of Education No. 47's geographic responsibility, including joint agreements which serve pupils from numerous school districts, should be included within its financial reporting entity. The criteria include but are not limited to, whether the Lee/Ogle Counties Regional Office of Education No. 47 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 Regional Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the financial statements. In addition, the Regional Superintendent is not aware of any entity which would exercise such oversight which would result in the Regional Office of Education No. 47 being considered a component unit of the entity.

Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the activities of Lee/Ogle Counties Regional Office of Education No. 47. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Net Assets presents Lee/Ogle Counties Regional Office of Education No. 47's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for any debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

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

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within the governmental funds in the financial section of the basic financial statements and are detailed in the supplemental information.

Lee/Ogle Counties Regional Office of Education No. 47 reports the following major governmental funds:

The General Fund is the operating fund of the Lee/Ogle Counties Regional Office of Education No. 47. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The following funds are the general funds of the Lee/Ogle Counties Regional Office of Education No. 47:

Local Fund - to account for monies received for, and payment of, expenditures for various educational workshops and interest income related to various grants.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Alternative Learning Opportunity Program - General State Aid (ALOP-GSA) - to account for state aid funds received for, and payment of, expenditures relating to the operation of an Alternative Learning Opportunity Program.

Regional Safe Schools Program - General State Aid (RSSP-GSA) - to account for the state aid funds received for, and payment of, the expenditures relating to the Regional Safe Schools Program - General State Aid.

Major Special Revenue Funds - This fund type includes specific revenue sources that are restricted by law or regulation as to their use. Lee/Ogle Counties Regional Office of Education No. 47 reports the following major special revenue funds:

Institute Fund - The Institute Fund is used to account for the stewardship of the assets held in trust for the benefit of the teachers. Fees are collected from registration of teachers' certificates of qualification. These funds are to be used to defray expenses connected with improving the technology necessary for the efficient processing of certificates as well as any expenses incidental to teachers' institutes, conferences and workshops or meetings of a professional nature that are designed to promote growth of teachers. All funds generated remain restricted until expended only on the aforementioned activities.

Education Fund - to account for State and Federal grant monies received for, and payment of, administering numerous grant awards which include:

Illinois Family Violence Coordinating Council - to account for grant monies received for, and payment of, expenditures relating to violence prevention.

Mathematics and Science Partnership - to account for grant monies received for, and payment of, expenditures for improving teacher knowledge and skills in mathematics and science such that they prepare content-rich, contextual learning experiences which will increase the achievement of their middle school students in math and/or science.

Rural Education Achievement Program - to account for the grant monies received for, and payment of, expenditures related to this program.

McKinney Education for Homeless Children - to account for the grant monies received for, and payment of, expenditures relating to McKinney Education for Homeless Children program.

Learning Improvement Through Non-Traditional Curriculum (LINC) - to account for grant monies received for, and payment of, expenditures to provide credit-recovery and support services to qualifying students and drop-outs through the Workforce Investment Act program.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Truants Alternative Education - to account for grant monies received for, and payment of, expenditures related to Truants Alternative Education Program.

Teacher Mentoring Pilot Program - to account for the grant monies received for, and payment of, the expenditures relating to the Teacher Mentoring Pilot Program.

Preschool for All Monitoring - to account for the grant monies received for, and payment of, the expenditures relating to the Program Accountability Liaison Project.

Social Emotional Learning - to account for the grant monies received for, and payment of, the expenditures relating to the Social Emotional Learning Program.

Regional System of Support Providers - to account for the grant monies received for, and payment of, the expenditures to support schools and districts who have been identified as in federal "School Improvement Status" due to not making adequate yearly progress.

Pre-School For All Program - to account for grant monies received for, and payment of, expenditures relating to Early Childhood Block Grant Prevention Initiative program.

Early Childhood Block Grant - to account for grant monies received for, and payment of, expenditures relating to Early Childhood Block Grant Prevention Initiative program.

Regional Safe Schools Program - to account for grant monies received for, and payment of, expenditures relating to Regional Safe Schools Program.

Title I - Migrant Education - used to account for grant monies received for, and payment of, the expenditures incurred to support high quality education programs for migratory children.

Illinois New Principal Mentoring - this fund accounts for the Illinois Principal Mentoring.

National School Lunch - this program supports the National School Lunch program.

State Free Lunch and Breakfast - this program supports the State Free Lunch and Breakfast programs.

School Breakfast Program - this program supports the School Breakfast programs.

Gifted Education - this program supports professional development for classroom teachers in meeting the needs of gifted and talented children.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Title I - Reading First Part B SEA Funds - this program provides professional development to elementary teachers using research-based reading programs and interventions.

IDEA Improvement Grant - this program provides a statewide network for the technical assistance and professional development of Response to Intervention through the Illinois State Board of Education.

ARRA Title I - School Improvement - this program provides support to schools and districts who have not met their "adequate yearly progress" requirements and have been placed on the state "status" list for the first or second year.

ROE Operations - used to account for grant monies received for, and payment of, assisting schools in all areas of school improvement.

Lee/Ogle Counties Regional Office of Education No. 47 reports the following non-major governmental funds:

Bus Driver Fund - used to account for resources accumulated for, and payment of, expenses of issuing school bus driver permits and administering school bus driver training.

General Educational Development (GED) Fund - used to account for resources accumulated for, and payment of, expenses of administering the GED test.

Lee/Ogle Counties Regional Office of Education No. 47 reports the following major proprietary fund:

Workshops - used to account for workshops associated with various grant programs.

Lee/Ogle Counties Regional Office of Education No. 47 reports the following non-major proprietary funds:

School Improvement Plan (SIP) - to account for monies received from school districts held for expenses relating to their school improvement plans.

Fingerprinting - used to account for resources accumulated for, and payment of, expenses of providing criminal background checks.

Lee/Ogle Counties Regional Office of Education No. 47 also reports fiduciary funds which focus on net assets and changes in net assets. They include the following:

Private-Purpose Trust Fund - used to account for interest earned on Distributive Funds. Under written agreement with individual school districts, interest earned on Distributive Funds is used for the benefit of Lee/Ogle Counties Regional Office of Education No. 47.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Agency Funds - used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. These include agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Lee/Ogle Counties Regional Office of Education No. 47 reports the following agency funds:

Distributive - to account for cash received and disbursed as a result of the Regional Superintendent's responsibility to receive and distribute to treasurers of school districts and other agencies, monies due to them from general state aid, state categorical grants, and various other sources.

Impact Fees - to account for monies received from owners/builders for the issuance of a zoning certificate. The Regional Superintendent, as agent, remits the fees collected to the appropriate school district.

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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.

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Lee/Ogle Counties Regional Office of Education No. 47.

Lee/Ogle Counties Regional Office of Education No. 47 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Capital asset acquisitions are reported as expenditures in governmental funds.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under the terms of grant agreements, Lee/Ogle Counties Regional Office of Education No. 47 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 Lee/Ogle Counties Regional Office of Education No. 47's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. It is the Regional Office of Education No. 47's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Lee/Ogle Counties Regional Office of Education No. 47's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Lee/Ogle Counties Regional Office of Education No. 47 maintains its financial records on the cash basis. The financial statements of Lee/Ogle Counties Regional Office of Education No. 47 are prepared by making memorandum adjusting entries to the cash basis financial records.

Assets, Liabilities and Fund Equity

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

Cash and investments - The cash and investment balances of Lee/Ogle Counties Regional Office of Education No. 47 are valued at cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

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

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets - Capital assets, which include furniture and equipment, are reported in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by Lee/Ogle Counties Regional Office of Education No. 47 as assets with estimated useful lives in excess of one year and an original cost in excess of \$500. Capital assets are depreciated using the straight line method over 5 - 7 years.

Impairment of Long Lived Assets - Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Deferred revenues - The Regional Office of Education reports unearned deferred revenue in the governmental fund Balance Sheet. Deferred and unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period.

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, in either form or through legal restrictions. The Local Fund has nonspendable fund balance.

Restricted Fund Balance - the portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions. The Mathematics and Science Partnership fund has fund balances that are restricted by grant agreements. The Institute Fund and Bus Driver Fund fund balances are restricted by Illinois Statute.

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. There are no accounts presenting a committed fund balance.

Assigned Fund Balance - the portion of a Governmental Fund's net assets to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The Alternative Learning Opportunity Program - General State Aid (ALOP-GSA) fund has fund balances that are assigned by the Regional Superintendent.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following accounts compromise unassigned fund balance: Local Fund and Alternative Learning Opportunity Program - General State Aid (ALOP-GSA). The following accounts compromise unassigned fund balance due to having negative fund balances at year end: Illinois Family Violence Coordinating Council, McKinney Education for Homeless Children, Truants Alternative Education, Social Emotional Learning, Regional Safe Schools Program, Gifted Education, Title I - Reading First Part B SEA Funds, ROE Operations, and General Educational Development (GED) Fund.

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

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

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

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

Budgets and Budgetary Accounting

Lee/Ogle Counties Regional Office of Education No. 47 did not adopt a formal budget nor is it legally required to do so for the year ended June 30, 2011; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, Illinois State Board of Education, a granting agent, requires budgets for certain program money. For the year ended June 30, 2011, a budgetary comparison schedule is presented for the following grant funds: Mathematics and Science Partnership, McKinney Education for Homeless Children, Truants Alternative Education, Teacher Mentoring Pilot Program, Pre-School For All Program, Early Childhood Block Grant, Regional Safe Schools Program, Title I - Migrant Education, Gifted Education, ARRA Title I - School Improvement, and ROE Operations.

Subsequent Events

Management has evaluated subsequent events through April 6, 2012, the date the financial statements were available to be issued.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2 - DEPOSITS

Deposits

At June 30, 2011, the carrying amount of the Regional Office of Education No. 47's deposits were \$364,017 and the bank balance was \$541,890.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, Lee/Ogle Counties Regional Office of Education No. 47's deposits may not be returned. Lee/Ogle Counties Regional Office of Education No. 47 does not have a deposit policy for custodial credit risk. As of June 30, 2011, all of Lee/Ogle Counties Regional Office of Education No. 47's deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in Lee/Ogle Counties Regional Office of Education No. 47's name.

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

	<u>Carrying Amount</u>
Cash - Primary Government	\$ 316,140
Cash - Private-Purpose Trust	27,518
Cash - Agency	<u>20,359</u>
Total	<u>\$ 364,017</u>

NOTE 3 - ON-BEHALF PAYMENTS

Salaries of the Regional Superintendent and her first assistant are paid by the State of Illinois. All other salaries are paid by Lee/Ogle Counties. Pension plan contributions associated with these salaries are also paid by the State of Illinois and Lee/Ogle Counties, respectively.

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

Regional Superintendent - salary	\$ 96,435
Regional Superintendent - benefits (includes state paid insurance)	25,331
Assistant Regional Superintendent - salary	86,791
Assistant Regional Superintendent - benefits (includes state paid insurance)	21,081
TRS on-behalf payments	176,461
THIS on-behalf payments	5,110
Lee County on-behalf payments	29,966
Ogle County on-behalf payments	<u>34,265</u>
Total on-behalf payments	<u>\$ 475,440</u>

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 3 - ON-BEHALF PAYMENTS (CONTINUED)

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

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2011 is as follows:

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2011</u>
Governmental activities:				
Furniture and equipment	\$ 619,178	\$ 3,347	\$ -	\$ 622,525
Less accumulated depreciation	<u>(490,818)</u>	<u>(35,689)</u>	<u>-</u>	<u>(526,507)</u>
Total capital assets, net	<u>\$ 128,360</u>	<u>\$ 32,342</u>	<u>\$ -</u>	<u>\$ 96,018</u>

Depreciation expense was charged as follows:

Governmental activities:

Education:

 Depreciation expense \$ 35,689

NOTE 5 - EMPLOYEE BENEFIT PLAN

The Regional Office of Education No. 47 employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by Lee/Ogle Counties and through grant monies on behalf of the Lee/Ogle Counties Regional Office of Education No. 47 staff employees and grant coordinators.

Lee/Ogle Counties are participating members of the Illinois Municipal Retirement Fund whose coverage includes all employees who:

- a. Occupy a job normally requiring 600 hours or more per year;
- b. Are paid on a regular payroll from County or Lee/Ogle Counties Regional Office of Education No. 47 funds;
- c. Were under age sixty when first entering employment; and
- d. Are not covered by another State created retirement system for the same service.

Employees not qualifying above are considered as "nonparticipating employees" and are covered under Social Security.

The Regional Superintendent and the Assistant Regional Superintendent of Lee/Ogle Counties Regional Office of Education No. 47 are paid by the State of Illinois. Certain staff employees of the office are employed and paid by Lee or Ogle Counties (other support staff and grant coordinators are paid through grant monies). Lee/Ogle Counties Regional Office of Education No. 47 has no separate employee benefit plan.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

Illinois Municipal Retirement Plan

Plan Description. The Lee/Ogle Counties Regional Office of Education No. 47'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 Lee/Ogle Counties Regional Office of Education No. 47 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 Lee/Ogle Counties Regional Office of Education No. 47 Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2010 was 10.21 percent. The Lee/Ogle Counties Regional Office of Education No. 47 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2010 was \$22,443.

TREND INFORMATION			
Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 22,443	100%	\$ -
12/31/09	13,590	100%	-
12/31/08	16,011	100%	-

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 the Lee/Ogle Counties Regional Office of Education No. 47 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 Lee/Ogle Counties Regional Office of Education No. 47 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.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 5 - EMPLOYEE BENEFIT PLAN (CONTINUED)

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 92.52 percent funded. The actuarial accrued liability for benefits was \$347,525 and the actuarial value of assets was \$321,530, resulting in an underfunded actuarial accrued liability (UAAL) of \$25,995. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$219,813 the ratio of the UAAL to the covered payroll was 12 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 6 - RETIREMENT PLANS

Teachers' Retirement System of the State of Illinois

Lee/Ogle Counties Regional Office of Education No. 47 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The state of Illinois maintains the primary responsibility for the funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

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

The state of Illinois makes contributions directly to TRS on behalf of the Lee/Ogle Counties Regional Office of Education No. 47's TRS-covered employees.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 6 - RETIREMENT PLANS (CONTINUED)

- **On-behalf Contributions.** The state of Illinois makes employer pension contributions on behalf of the Lee/Ogle Counties Regional Office of Education No. 47. 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 Lee/Ogle Counties Regional Office of Education No. 47 recognized revenue and expenditures of \$176,461 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 (\$154,309) and 17.08 percent (\$70,842), respectively.

Lee/Ogle Counties Regional Office of Education No. 47 makes other types of employer contributions directly to TRS.

- **2.2 Formula Contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2011 were \$3,368. Contributions for the years ending June 30, 2010 and June 30, 2009 were \$2,765 and \$2,406, respectively.
- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the Lee/Ogle Counties Regional Office of Education No. 47, there is a statutory requirement for the Lee/Ogle Counties Regional Office of Education No. 47 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in 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 for 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 pension contribution was 23.38 and 17.08 percent of salaries paid from federal and special trusts funds, respectively. For the year ended June 30, 2011, salaries totaling \$107,437 were paid from federal and special trust funds that required employer contributions of \$24,818. For the years ended June 30, 2010 and 2009, required ROE contributions were \$23,107 and \$1,290, respectively.

- **Early Retirement Option.** Lee/Ogle Counties Regional Office of Education No. 47 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 years ended June 30, 2011, June 30, 2010 and June 30, 2009, the Regional Office Education No. 47 paid no ERO contributions.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 6 - RETIREMENT PLANS (CONTINUED)

- **Salary increases over 6 percent and excess sick leave.**
 - If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases up to 6 percent. For the years ended June 30, 2011, June 30, 2010, and June 30, 2009, the Lee/Ogle Counties Regional Office of Education No. 47 did not make any contributions to TRS for salary increases in excess of 6 percent.
 - If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary 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 years ended June 30, 2011, June 30, 2010, and June 30, 2009, the Lee/Ogle Regional Office of Education No. 47 did not make any contributions to TRS for sick leave days granted in excess of the normal annual allotment.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS Comprehensive Annual Financial Report for the year ended June 30, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

Teachers Health Insurance Security Fund

The Lee/Ogle Regional Office of Education No. 47 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 it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 6 - RETIREMENT PLANS (CONTINUED)

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 HFS and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

- **On-behalf Contributions.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Lee/Ogle Counties Regional Office of Education No. 47. 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 \$5,110, and the Lee/Ogle Counties Regional Office of Education No. 47 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, was 0.84 percent of pay. State contributions on behalf of the Lee/Ogle Counties Regional Office of Education No. 47 employees were \$5,544. Had the Lee/Ogle Counties Regional Office of Education No. 47 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 \$5,023.
- **Employer Contributions.** The Lee/Ogle Counties Regional Office of Education No. 47 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 Lee/Ogle Counties Regional Office of Education No. 47 paid \$3,832 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the Lee/Ogle Counties Regional Office of Education No. 47 paid \$3,004 and \$2,613 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 7 - DISTRIBUTIVE FUND INTEREST DISPOSITION

Interest earned on distributive fund receipts is transferred to the Local Fund by the consent of all affected school boards and other entities. The funds are utilized by the Regional Superintendent to purchase computer equipment, develop inservice activities, and other innovative programs, as well as, assist with the necessary operating expenses of the Regional Office.

NOTE 8 - DUE FROM/TO OTHER GOVERNMENTS

The Lee/Ogle Counties Regional Office of Education No. 47's General, Special Revenue, and Agency Funds have funds due from/to various other governmental units which consist of the following:

Due From Other Governments

General Fund

Local Fund

Other local entities	\$ 24,220
Alternative Learning Opportunity Program - General State Aid	
Other local entities	3,000
Regional Safe Schools Program - General State Aid	
Illinois State Board of Education	13,300

Education Fund

McKinney Education for Homeless Children	
Illinois State Board of Education	21,102
Learning Improvement Through Non-Traditional Curriculum (LINC)	
Local Government	5,411
Truants Alternative Education	
Illinois State Board of Education	111,883
Teacher Mentoring Pilot Program	
Illinois State Board of Education	42,294
Preschool for All Monitoring	
Illinois State Board of Education	19,790
Social Emotional Learning	
Local Government	28,417
Regional System of Support Providers	
Local Government	23,990
Pre-School For All Program	
Illinois State Board of Education	38,571
Early Childhood Block Grant	
Illinois State Board of Education	9,721
Regional Safe Schools Program	
Illinois State Board of Education	53,176
Title I - Migrant Education	
Illinois State Board of Education	12,241

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 8 - DUE FROM/TO OTHER GOVERNMENTS (CONTINUED)

IDEA Improvement Grant		
Illinois State Board of Education	\$	503
ARRA Title I - School Improvement		
Illinois State Board of Education		21,301
ROE Operations		
Illinois State Board of Education		34,122
Nonmajor Special Revenue		
General Educational Development (GED) Fund		
Other local entities		6,391
Proprietary Funds		
Workshops		
Other local entities		1,175
Fingerprinting		
Other local entities		112
Total	\$	<u>470,720</u>
Due To Other Governments		
Education Fund		
Regional Safe Schools Program	\$	50,961
Agency Funds		
Distributive Fund		18,307
Impact Fees		2,052
Total	\$	<u>71,320</u>

NOTE 9 - DUE FROM/TO OTHER FUNDS

The detail of interfund receivables and payables at June 30, 2011 is as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund		
Local Fund	\$ 364,190	\$ -
Regional Safe Schools Program - General State Aid	-	13,300
Education Fund		
McKinney Education for Homeless Children	-	18,370
Learning Improvement Through Non-Traditional Curriculum (LINC)	-	5,348
Truants Alternative Education	-	111,651
Teacher Mentoring Pilot Program	-	42,294
Preschool for All Monitoring	-	19,790
Social Emotional Learning	-	26,887
Regional System of Support Providers	-	2,882
Pre-School For All Program	-	38,571
Early Childhood Block Grant	-	9,721
Regional Safe Schools Program	-	2,215

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 9 - DUE FROM/TO OTHER FUNDS (CONTINUED)

Title I - Migrant Education	\$ -	\$ 1,916
Gifted Education	-	2
Title I - Reading First Part B SEA Funds	-	1
ARRA Title I - School Improvement	-	21,301
ROE Operations	-	34,122
School Improvement Plan (SIP)	-	15,274
Fingerprinting	-	545
Totals	<u>\$ 364,190</u>	<u>\$ 364,190</u>

These balances result from interfund loans. Repayment will be made from future revenues.

NOTE 10 - DEFICIT FUND BALANCE

At June 30, 2011, the following funds had deficit fund balances. They are expected to correct themselves in 2012, through payments from applicable sources and transfers from local funds.

Education Fund	
Illinois Family Violence Coordinating Council	\$ (148)
McKinney Education for Homeless Children	(3)
Truants Alternative Education	(1,307)
Social Emotional Learning	(1,529)
Regional Safe Schools Program	(8,866)
Gifted Education	(2)
Title I - Reading First Part B SEA Funds	(1)
ROE Operations	(5,686)
Other Non-major Funds	
General Educational Development (GED) Fund	(506)
Proprietary Funds	
School Improvement Plan (SIP)	(17,164)
Fingerprinting	(1,034)

NOTE 11 - TRANSFERS

The following transfer was to provide supplemental funding for additional expenditures incurred as of June 30, 2011:

	<u>Transfer In</u>	<u>Transfer Out</u>
Education Fund		
Title I - Reading First Part B SEA Funds	\$ 2,399	\$ -
Proprietary Funds		
School Improvement Plan (SIP)	-	2,399
Total	<u>\$ 2,399</u>	<u>\$ 2,399</u>

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 12 - FUND RECLASSIFICATIONS

The Lee/Ogle Counties Regional Office of Education No. 47 has reclassified funds within the governmental fund statements and proprietary fund statements to more appropriately reflect the purpose of those funds. The ROE Operations fund, which was previously reported in the General Fund, is now reported in the Education Fund. The Alternative Learning Opportunity Program - General State Aid fund and Regional Safe Schools Program - General State Aid fund, which were previously reported in the Education Fund, are now reported in the General Fund. The Fingerprinting fund, which was previously reported in the governmental non-major special revenue funds, is now reported in the proprietary funds. The impact of the fund reclassifications is an increase in the General Fund fund balance of \$51,899, a decrease in the Education Fund fund balance of \$51,899, an increase in the Other Non-Major Funds fund balance of \$1,872, and a decrease in the Enterprise Funds net assets of \$1,872. In the government-wide financial statements, governmental activities net assets increased and business-type activities net assets decreased by \$1,872, which resulted from the reclassification of the fingerprinting fund. These reclassifications have no effect on the net change in fund balances or net assets.

NOTE 13 - RISK MANAGEMENT

Lee/Ogle Counties Regional Office of Education No. 47 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. Lee/Ogle Counties Regional Office of Education No. 47 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

NOTE 14 - NEW PRONOUNCEMENTS

In 2011, Lee/Ogle Counties Regional Office of Education No. 47 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 No. 47 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.

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

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

**LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 SCHEDULE OF FUNDING PROGRESS -
 ILLINOIS MUNICIPAL RETIREMENT FUND (Unaudited)
 June 30, 2011**

**ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS**

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	\$ 321,530	\$ 347,525	\$ 25,995	92.52%	\$ 219,813	11.83%
12/31/09	281,643	320,872	39,229	87.77%	242,241	16.19%
12/31/08	251,437	278,286	26,849	90.35%	195,014	13.77%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$334,795.
 On a market basis, the funded ratio would be 96.34%.

SUPPLEMENTAL INFORMATION

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2011**

	<u>Local Fund</u>	<u>Alternative Learning Opportunity Program - General State Aid (ALOP-GSA)</u>	<u>Regional Safe Schools Program - General State Aid (RSSP-GSA)</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 29,851	\$ 106,464	\$ -	\$ 136,315
Prepaid expenses	260	-	-	260
Due from other governments	24,220	3,000	13,300	40,520
Due from other funds	364,190	-	-	364,190
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 418,521</u>	<u>\$ 109,464</u>	<u>\$ 13,300</u>	<u>\$ 541,285</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 9,495	\$ 19,135	\$ -	\$ 28,630
Due to other funds	-	-	13,300	13,300
Deferred revenue	18,307	-	-	18,307
Total liabilities	<hr/> 27,802	<hr/> 19,135	<hr/> 13,300	<hr/> 60,237
FUND BALANCE				
Nonspendable	260	-	-	260
Assigned	-	31,689	-	31,689
Unassigned	390,459	58,640	-	449,099
Total fund balance	<hr/> 390,719	<hr/> 90,329	<hr/> -	<hr/> 481,048
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 418,521</u>	<u>\$ 109,464</u>	<u>\$ 13,300</u>	<u>\$ 541,285</u>

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
Year Ended June 30, 2011**

	<u>Local Fund</u>	<u>Alternative Learning Opportunity Program - General State Aid (ALOP-GSA)</u>	<u>Regional Safe Schools Program - General State Aid (RSSP-GSA)</u>	<u>Total</u>
REVENUES:				
Local sources	\$ 192,442	\$ 32,000	\$ -	\$ 224,442
State sources	-	361,918	182,397	544,315
Federal sources	-	32,953	16,607	49,560
On-behalf payments	475,440	-	-	475,440
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	667,882	426,871	199,004	1,293,757
EXPENDITURES:				
Education:				
Salaries	32,397	286,038	-	318,435
Benefits	5,490	35,926	-	41,416
Purchased services	119,691	21,331	-	141,022
Supplies and materials	14,790	3,718	-	18,508
Payments to other governments	1,939	16,040	199,004	216,983
On-behalf payments	475,440	-	-	475,440
Capital outlay	-	619	-	619
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	649,747	363,672	199,004	1,212,423
NET CHANGE IN FUND BALANCE	18,135	63,199	-	81,334
FUND BALANCE, BEGINNING OF YEAR AS RESTATED	372,584	27,130	-	399,714
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	<u>\$ 390,719</u>	<u>\$ 90,329</u>	<u>\$ -</u>	<u>\$ 481,048</u>

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2011

	<u>Illinois Family Violence Coordinating Council</u>	<u>Mathematics and Science Partnership</u>	<u>Rural Education Achievement Program</u>	<u>McKinney Education for Homeless Children</u>	<u>Learning Improvement Through Non- Traditional Curriculum (LINC)</u>	<u>Truants Alternative Education</u>
ASSETS						
Cash and cash equivalents	\$ 5,287	\$ 51,314	\$ -	\$ -	\$ -	\$ -
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,102</u>	<u>5,411</u>	<u>111,883</u>
TOTAL ASSETS	<u>\$ 5,287</u>	<u>\$ 51,314</u>	<u>\$ -</u>	<u>\$ 21,102</u>	<u>\$ 5,411</u>	<u>\$ 111,883</u>
LIABILITIES AND FUND BALANCE (DEFICIT)						
LIABILITIES						
Accounts payable	\$ 372	\$ 123	\$ -	\$ -	\$ 63	\$ 232
Due to other governments	-	-	-	-	-	-
Due to other funds	-	-	-	18,370	5,348	111,651
Deferred revenue	<u>5,063</u>	<u>51,190</u>	<u>-</u>	<u>2,735</u>	<u>-</u>	<u>1,307</u>
Total liabilities	5,435	51,313	-	21,105	5,411	113,190
FUND BALANCE (DEFICIT)						
Restricted	-	1	-	-	-	-
Unassigned	<u>(148)</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>(1,307)</u>
Total fund balance (deficit)	<u>(148)</u>	<u>1</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>(1,307)</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 5,287</u>	<u>\$ 51,314</u>	<u>\$ -</u>	<u>\$ 21,102</u>	<u>\$ 5,411</u>	<u>\$ 111,883</u>

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2011

SCHEDULE 3
 (CONTINUED)

	<u>Teacher Mentoring Pilot Program</u>	<u>Preschool for All Monitoring</u>	<u>Social Emotional Learning</u>	<u>Regional System of Support Providers</u>	<u>Pre-School For All Program</u>	<u>Early Childhood Block Grant</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	42,294	19,790	28,417	23,990	38,571	9,721
TOTAL ASSETS	<u>\$ 42,294</u>	<u>\$ 19,790</u>	<u>\$ 28,417</u>	<u>\$ 23,990</u>	<u>\$ 38,571</u>	<u>\$ 9,721</u>
LIABILITIES AND FUND BALANCE (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 1,529	\$ 14,800	\$ -	\$ -
Due to other governments	-	-	-	-	-	-
Due to other funds	42,294	19,790	26,887	2,882	38,571	9,721
Deferred revenue	-	-	1,530	6,308	-	-
Total liabilities	<u>42,294</u>	<u>19,790</u>	<u>29,946</u>	<u>23,990</u>	<u>38,571</u>	<u>9,721</u>
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	-	-
Unassigned	-	-	(1,529)	-	-	-
Total fund balance (deficit)	<u>-</u>	<u>-</u>	<u>(1,529)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 42,294</u>	<u>\$ 19,790</u>	<u>\$ 28,417</u>	<u>\$ 23,990</u>	<u>\$ 38,571</u>	<u>\$ 9,721</u>

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2011

	<u>Regional Safe Schools Program</u>	<u>Title I - Migrant Education</u>	<u>Illinois New Principal Mentoring</u>	<u>National School Lunch</u>	<u>State Free Lunch and Breakfast</u>	<u>School Breakfast Program</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	<u>53,176</u>	<u>12,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 53,176</u>	<u>\$ 12,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ 10,325	\$ -	\$ -	\$ -	\$ -
Due to other governments	50,961	-	-	-	-	-
Due to other funds	2,215	1,916	-	-	-	-
Deferred revenue	<u>8,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	62,042	12,241	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	-	-
Unassigned	<u>(8,866)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>(8,866)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 53,176</u>	<u>\$ 12,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2011

SCHEDULE 3
 (CONTINUED)

	<u>Gifted Education</u>	<u>Title I - Reading First Part B SEA Funds</u>	<u>IDEA Improvement Grant</u>	<u>ARRA Title I - School Improvement</u>	<u>ROE Operations</u>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,601
Due from other governments	-	-	503	21,301	34,122	422,522
TOTAL ASSETS	\$ -	\$ -	\$ 503	\$ 21,301	\$ 34,122	\$ 479,123
LIABILITIES AND FUND BALANCE (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 503	\$ -	\$ -	\$ 27,947
Due to other governments	-	-	-	-	-	50,961
Due to other funds	2	1	-	21,301	34,122	335,071
Deferred revenue	-	-	-	-	5,686	82,685
Total liabilities	2	1	503	21,301	39,808	496,664
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	-	1
Unassigned	(2)	(1)	-	-	(5,686)	(17,542)
Total fund balance (deficit)	(2)	(1)	-	-	(5,686)	(17,541)
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ -	\$ -	\$ 503	\$ 21,301	\$ 34,122	\$ 479,123

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2011

	<u>Illinois Family Violence Coordinating Council</u>	<u>Mathematics and Science Partnership</u>	<u>Rural Education Achievement Program</u>	<u>McKinney Education for Homeless Children</u>	<u>Learning Improvement Through Non- Traditional Curriculum (LINC)</u>	<u>Truants Alternative Education</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	19,440	-	-	-	-	180,230
Federal sources	-	209,539	20,850	370,060	31,869	-
	<u>19,440</u>	<u>209,539</u>	<u>20,850</u>	<u>370,060</u>	<u>31,869</u>	<u>180,230</u>
Total revenues	19,440	209,539	20,850	370,060	31,869	180,230
EXPENDITURES:						
Education:						
Salaries	16,800	43,868	6,122	85,687	21,599	93,795
Benefits	1,171	15,331	-	10,990	5,026	10,295
Purchased services	1,195	109,979	3,740	16,471	4,527	15,071
Supplies and materials	478	5,331	2,648	1,208	46	1,755
Payments to other governments	-	35,140	8,340	255,706	-	-
Capital outlay	-	-	-	-	-	-
	<u>19,644</u>	<u>209,649</u>	<u>20,850</u>	<u>370,062</u>	<u>31,198</u>	<u>120,916</u>
Total expenditures	19,644	209,649	20,850	370,062	31,198	120,916
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(204)</u>	<u>(110)</u>	<u>-</u>	<u>(2)</u>	<u>671</u>	<u>59,314</u>
OTHER FINANCING SOURCES:						
Transfer In	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	(204)	(110)	-	(2)	671	59,314
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	<u>56</u>	<u>111</u>	<u>-</u>	<u>(1)</u>	<u>(671)</u>	<u>(60,621)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (148)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ -</u>	<u>\$ (1,307)</u>

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2011

	<u>Teacher Mentoring Pilot Program</u>	<u>Preschool for All Monitoring</u>	<u>Social Emotional Learning</u>	<u>Regional System of Support Providers</u>	<u>Pre-School For All Program</u>	<u>Early Childhood Block Grant</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ 87,758	\$ -	\$ -	\$ -
State sources	102,394	19,790	108,932	-	102,282	28,958
Federal sources	-	-	-	79,649	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	102,394	19,790	196,690	79,649	102,282	28,958
EXPENDITURES:						
Education:						
Salaries	14,905	1,195	115,827	39,723	61,561	15,661
Benefits	1,642	-	16,335	5,012	9,434	1,096
Purchased services	1,625	15,496	39,314	29,042	5,403	4,764
Supplies and materials	175	1,606	1,558	-	743	2,200
Payments to other governments	40,175	-	24,562	5,872	-	-
Capital outlay	-	1,600	535	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	58,522	19,897	198,131	79,649	77,141	23,721
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	43,872	(107)	(1,441)	-	25,141	5,237
OTHER FINANCING SOURCES:						
Transfer In	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE (DEFICIT)	43,872	(107)	(1,441)	-	25,141	5,237
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED						
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(43,872)	107	(88)	-	(25,141)	(5,237)
FUND BALANCE (DEFICIT), END OF YEAR						
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	\$ (1,529)	\$ -	\$ -	\$ -

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2011

	<u>Regional Safe Schools Program</u>	<u>Title I - Migrant Education</u>	<u>Illinois New Principal Mentoring</u>	<u>National School Lunch</u>	<u>State Free Lunch and Breakfast</u>	<u>School Breakfast Program</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	143,340	-	10,000	-	162	-
Federal sources	-	94,988	-	3,176	-	1,467
	<u>143,340</u>	<u>94,988</u>	<u>10,000</u>	<u>3,176</u>	<u>162</u>	<u>1,467</u>
Total revenues	143,340	94,988	10,000	3,176	162	1,467
EXPENDITURES:						
Education:						
Salaries	-	47,882	-	-	-	-
Benefits	-	18,392	-	-	-	-
Purchased services	2,215	17,151	-	-	-	-
Supplies and materials	-	6,354	-	-	-	-
Payments to other governments	86,408	4,700	-	3,756	-	1,308
Capital outlay	-	509	-	-	-	-
	<u>88,623</u>	<u>94,988</u>	<u>-</u>	<u>3,756</u>	<u>-</u>	<u>1,308</u>
Total expenditures	88,623	94,988	-	3,756	-	1,308
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>54,717</u>	<u>-</u>	<u>10,000</u>	<u>(580)</u>	<u>162</u>	<u>159</u>
OTHER FINANCING SOURCES:						
Transfer In	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	54,717	-	10,000	(580)	162	159
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	<u>(63,583)</u>	<u>-</u>	<u>(10,000)</u>	<u>580</u>	<u>(162)</u>	<u>(159)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (8,866)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2011

	<u>Gifted Education</u>	<u>Title I - Reading First Part B SEA Funds</u>	<u>IDEA Improvement Grant</u>	<u>ARRA Title I - School Improvement</u>	<u>ROE Operations</u>	<u>Totals</u>
REVENUES:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,758
State sources	11,769	-	-	-	75,949	803,246
Federal sources	-	-	503	120,000	-	932,101
	<u>-</u>	<u>-</u>	<u>503</u>	<u>120,000</u>	<u>-</u>	<u>932,101</u>
Total revenues	11,769	-	503	120,000	75,949	1,823,105
EXPENDITURES:						
Education:						
Salaries	2,703	-	-	48,797	23,526	639,651
Benefits	418	-	-	14,269	4,137	113,548
Purchased services	8,650	321	503	54,173	29,186	358,826
Supplies and materials	-	557	-	138	17	24,814
Payments to other governments	-	-	-	2,623	-	468,590
Capital outlay	-	-	-	-	-	2,644
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,644</u>
Total expenditures	11,771	878	503	120,000	56,866	1,608,073
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2)</u>	<u>(878)</u>	<u>-</u>	<u>-</u>	<u>19,083</u>	<u>215,032</u>
OTHER FINANCING SOURCES:						
Transfer In	-	2,399	-	-	-	2,399
	<u>-</u>	<u>2,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,399</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>(2)</u>	<u>1,521</u>	<u>-</u>	<u>-</u>	<u>19,083</u>	<u>217,431</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR AS RESTATED	<u>-</u>	<u>(1,522)</u>	<u>-</u>	<u>-</u>	<u>(24,769)</u>	<u>(234,972)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (2)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,686)</u>	<u>\$ (17,541)</u>

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2011

	Mathematics and Science Partnership				McKinney Education for Homeless Children				Truants Alternative Education			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:												
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,819	\$ 131,819	\$ 180,230	\$ 48,411
Federal sources	280,512	280,512	209,539	(70,973)	317,607	330,852	370,060	39,208	-	-	-	-
Total revenues	280,512	280,512	209,539	(70,973)	317,607	330,852	370,060	39,208	131,819	131,819	180,230	48,411
EXPENDITURES:												
Education:												
Salaries	41,595	44,520	43,868	652	79,270	79,270	85,687	(6,417)	98,034	98,034	93,795	4,239
Benefits	13,147	14,223	15,331	(1,108)	8,094	8,094	10,990	(2,896)	9,833	9,833	10,295	(462)
Purchased services	143,205	134,204	109,979	24,225	12,266	12,276	16,471	(4,195)	18,321	18,321	15,071	3,250
Supplies and materials	35,490	23,500	5,331	18,169	1,156	1,156	1,208	(52)	3,450	3,450	1,755	1,695
Payments to other governments	30,450	25,450	35,140	(9,690)	216,821	230,056	255,706	(25,650)	2,181	2,181	-	2,181
Capital outlay	16,625	38,615	-	38,615	-	-	-	-	-	-	-	-
Total expenditures	280,512	280,512	209,649	70,863	317,607	330,852	370,062	(39,210)	131,819	131,819	120,916	10,903
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	(110)	\$ (110)	\$ -	\$ -	(2)	\$ (2)	\$ -	\$ -	59,314	\$ 59,314
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			111				(1)				(60,621)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ 1				\$ (3)				\$ (1,307)	

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2011

	Teacher Mentoring Pilot Program				Pre-School For All Program				Early Childhood Block Grant			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:												
State sources	\$ 55,773	\$ 55,773	\$ 102,394	\$ 46,621	\$ 77,141	\$ 77,141	\$ 102,282	\$ 25,141	\$ 32,257	\$ 32,257	\$ 28,958	\$ (3,299)
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	55,773	55,773	102,394	46,621	77,141	77,141	102,282	25,141	32,257	32,257	28,958	(3,299)
EXPENDITURES:												
Education:												
Salaries	10,660	12,660	14,905	(2,245)	61,685	61,685	61,561	124	23,029	23,029	15,661	7,368
Benefits	1,292	1,292	1,642	(350)	8,410	8,410	9,434	(1,024)	1,635	1,635	1,096	539
Purchased services	5,421	1,359	1,625	(266)	6,046	6,046	5,403	643	6,911	6,911	4,764	2,147
Supplies and materials	50	87	175	(88)	1,000	1,000	743	257	682	682	2,200	(1,518)
Payments to other governments	38,350	40,375	40,175	200	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	55,773	55,773	58,522	(2,749)	77,141	77,141	77,141	-	32,257	32,257	23,721	8,536
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	43,872	\$ 43,872	\$ -	\$ -	25,141	\$ 25,141	\$ -	\$ -	5,237	\$ 5,237
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(43,872)				(25,141)				(5,237)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ -				\$ -				\$ -	

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2011

	Regional Safe Schools Program				Title I - Migrant Education				Gifted Education			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:												
State sources	\$ 88,624	\$ 88,624	\$ 143,340	\$ 54,716	\$ -	\$ -	\$ -	\$ -	\$ 71,775	\$ 71,775	\$ 11,769	\$ (60,006)
Federal sources	-	-	-	-	94,244	94,244	94,988	744	-	-	-	-
Total revenues	88,624	88,624	143,340	54,716	94,244	94,244	94,988	744	71,775	71,775	11,769	(60,006)
EXPENDITURES:												
Education:												
Salaries	-	-	-	-	45,819	49,942	47,882	2,060	32,605	23,312	2,703	20,609
Benefits	-	-	-	-	13,135	14,525	18,392	(3,867)	4,467	4,467	418	4,049
Purchased services	2,215	2,215	2,215	-	28,350	20,749	17,151	3,598	10,112	26,592	8,650	17,942
Supplies and materials	-	-	-	-	4,290	6,378	6,354	24	12,591	17,154	-	17,154
Payments to other governments	86,409	86,409	86,408	1	2,650	2,650	4,700	(2,050)	12,000	250	-	250
Capital outlay	-	-	-	-	-	-	509	(509)	-	-	-	-
Total expenditures	88,624	88,624	88,623	1	94,244	94,244	94,988	(744)	71,775	71,775	11,771	60,004
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	54,717	\$ 54,717	\$ -	\$ -	-	\$ -	\$ -	\$ -	(2)	\$ (2)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(63,583)				-				-	
FUND BALANCE (DEFICIT), END OF YEAR			\$ (8,866)				\$ -				\$ (2)	

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2011

	ARRA Title I - School Improvement				ROE Operations				Total			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
REVENUES:												
State sources	\$ -	\$ -	\$ -	\$ -	\$ 56,866	\$ 56,866	\$ 75,949	\$ 19,083	\$ 514,255	\$ 514,255	\$ 644,922	\$ 130,667
Federal sources	120,000	120,000	120,000	-	-	-	-	-	812,363	825,608	794,587	(31,021)
Total revenues	120,000	120,000	120,000	-	56,866	56,866	75,949	19,083	1,326,618	1,339,863	1,439,509	99,646
EXPENDITURES:												
Education:												
Salaries	54,908	54,908	48,797	6,111	35,500	25,500	23,526	1,974	483,105	472,860	438,385	34,475
Benefits	11,580	11,580	14,269	(2,689)	6,031	4,664	4,137	527	77,624	78,723	86,004	(7,281)
Purchased services	47,882	47,882	54,173	(6,291)	14,655	25,825	29,186	(3,361)	295,384	302,380	264,688	37,692
Supplies and materials	2,630	2,630	138	2,492	680	877	17	860	62,019	56,914	17,921	38,993
Payments to other governments	3,000	3,000	2,623	377	-	-	-	-	391,861	390,371	424,752	(34,381)
Capital outlay	-	-	-	-	-	-	-	-	16,625	38,615	509	38,106
Total expenditures	120,000	120,000	120,000	-	56,866	56,866	56,866	-	1,326,618	1,339,863	1,232,259	107,604
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	-	\$ -	\$ -	\$ -	19,083	\$ 19,083	\$ -	\$ -	207,250	\$ 207,250
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			-				(24,769)				(223,113)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ -				\$ (5,686)				\$ (15,863)	

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 June 30, 2011

ASSETS	Bus Driver Fund	General Educational Development (GED) Fund	Total
Cash and cash equivalents	\$ 3,951	\$ 1,111	\$ 5,062
Due from other governments	<u>-</u>	<u>6,391</u>	<u>6,391</u>
TOTAL ASSETS	<u>\$ 3,951</u>	<u>\$ 7,502</u>	<u>\$ 11,453</u>
LIABILITIES AND FUND BALANCE (DEFICIT)			
LIABILITIES			
Accounts payable	\$ -	\$ 1,617	\$ 1,617
Deferred revenue	<u>-</u>	<u>6,391</u>	<u>6,391</u>
Total liabilities	<u>-</u>	<u>8,008</u>	<u>8,008</u>
FUND BALANCE (DEFICIT)			
Restricted	3,951	-	3,951
Unassigned	<u>-</u>	<u>(506)</u>	<u>(506)</u>
Total fund balance (deficit)	<u>3,951</u>	<u>(506)</u>	<u>3,445</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 3,951</u>	<u>\$ 7,502</u>	<u>\$ 11,453</u>

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2011

	Bus Driver Fund	General Educational Development (GED) Fund	Total
REVENUES:			
Local sources	\$ 1,776	\$ 22,001	\$ 23,777
State sources	903	-	903
Total revenues	2,679	22,001	24,680
EXPENDITURES:			
Education:			
Salaries	-	10,807	10,807
Benefits	-	1,084	1,084
Purchased services	2,387	9,630	12,017
Supplies and materials	-	2,951	2,951
Total expenditures	2,387	24,472	26,859
NET CHANGE IN FUND BALANCE (DEFICIT)	292	(2,471)	(2,179)
FUND BALANCE, BEGINNING OF YEAR AS RESTATED	3,659	1,965	5,624
FUND BALANCE (DEFICIT), END OF YEAR	\$ 3,951	\$ (506)	\$ 3,445

LEE/OGLE COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 47
 COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR PROPRIETARY FUNDS
 June 30, 2011

	<u>School Improvement Plan (SIP)</u>	<u>Fingerprinting</u>	<u>Total</u>
ASSETS			
Current assets:			
Due from other governments	\$ -	\$ 112	\$ 112
LIABILITIES			
Accounts payable	1,890	601	2,491
Due to other funds	<u>15,274</u>	<u>545</u>	<u>15,819</u>
Total current liabilities	<u>17,164</u>	<u>1,146</u>	<u>18,310</u>
NET ASSETS			
Unrestricted	<u>\$ (17,164)</u>	<u>\$ (1,034)</u>	<u>\$ (18,198)</u>

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NON-MAJOR PROPRIETARY FUNDS
Year Ended June 30, 2011

	School Improvement Plan (SIP)	Fingerprinting	Total
Operating revenues:			
Charges for services	\$ 41,505	\$ 10,912	\$ 52,417
Operating expenses:			
Education:			
Salaries	-	2,000	2,000
Benefits	319	359	678
Purchased services	62,507	7,673	70,180
Supplies and materials	2,108	42	2,150
Total operating expenses	<u>64,934</u>	<u>10,074</u>	<u>75,008</u>
Operating income (loss) before transfers	(23,429)	838	(22,591)
Transfer out	<u>(2,399)</u>	<u>-</u>	<u>(2,399)</u>
Increase (decrease) in net assets	(25,828)	838	(24,990)
Net assets, beginning of year as restated	<u>8,664</u>	<u>(1,872)</u>	<u>6,792</u>
Net assets, end of year	<u>\$ (17,164)</u>	<u>\$ (1,034)</u>	<u>\$ (18,198)</u>

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
Year Ended June 30, 2011**

	School Improvement Plan (SIP)	Fingerprinting	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from workshops and services	\$ 41,505	\$ 10,951	\$ 52,456
Payments to suppliers and providers of goods and services	(62,725)	(7,354)	(70,079)
Payments to employees	(319)	(2,359)	(2,678)
Net cash provided by (used in) operating activities	<u>(21,539)</u>	<u>1,238</u>	<u>(20,301)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(2,399)	-	(2,399)
Interfund loans	15,274	(1,238)	14,036
Net cash provided by (used in) noncapital financing activities	<u>12,875</u>	<u>(1,238)</u>	<u>11,637</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,664)	-	(8,664)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>8,664</u>	<u>-</u>	<u>8,664</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (23,429)	\$ 838	\$ (22,591)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Decrease in due from other governments	-	39	39
Increase in accounts payable	1,890	361	2,251
	<u>1,890</u>	<u>400</u>	<u>2,290</u>
Net cash provided by (used in) operating activities	<u>\$ (21,539)</u>	<u>\$ 1,238</u>	<u>\$ (20,301)</u>

LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2011

	<u>Distributive Fund</u>	<u>Impact Fees</u>	<u>Total</u>
ASSETS			
Cash	\$ 18,307	\$ 2,052	\$ 20,359
LIABILITIES			
Due to other governmental agencies	<u>\$ 18,307</u>	<u>\$ 2,052</u>	<u>\$ 20,359</u>

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2011**

	<u>Balance, July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2011</u>
<u>DISTRIBUTIVE FUND</u>				
ASSETS				
Cash	\$ 799	\$ 1,255,737	\$ 1,238,229	\$ 18,307
Due from other governments	<u>355,280</u>	<u>-</u>	<u>355,280</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 356,079</u>	<u>\$ 1,255,737</u>	<u>\$ 1,593,509</u>	<u>\$ 18,307</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 356,079</u>	<u>\$ 1,255,737</u>	<u>\$ 1,593,509</u>	<u>\$ 18,307</u>
<u>IMPACT FEES</u>				
ASSETS				
Cash	<u>\$ -</u>	<u>\$ 6,156</u>	<u>\$ 4,104</u>	<u>\$ 2,052</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ -</u>	<u>\$ 6,156</u>	<u>\$ 4,104</u>	<u>\$ 2,052</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 799	\$ 1,261,893	\$ 1,242,333	\$ 20,359
Due from other governmental agencies	<u>355,280</u>	<u>-</u>	<u>355,280</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 356,079</u>	<u>\$ 1,261,893</u>	<u>\$ 1,597,613</u>	<u>\$ 20,359</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 356,079</u>	<u>\$ 1,261,893</u>	<u>\$ 1,597,613</u>	<u>\$ 20,359</u>

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011**

Federal Grantor/Pass- Through Grantor, Program or Cluster Title	CFDA Number	Project Number (1st 8 digits) or Contract #	Federal Expenditures 7/1/2010 - 6/30/2011
U.S. Department of Agriculture passed through Illinois State Board of Education (ISBE):			
National School Lunch Program	10.555	11-4210-00	\$ 3,176
School Breakfast Program	10.553	11-4220-00	<u>1,308</u>
Child Nutrition Cluster			<u>4,484</u>
U.S. Department of Labor passed through Business Employment Skills Team			
Workforce Investment Act (WIA) Youth Activities	17.259	11-local	<u>31,198</u>
U.S. Department of Education passed through Illinois State Board of Education (ISBE):			
Mathematics and Science Partnership	84.366B	10-4936-00	57,948
Mathematics and Science Partnership	84.366B	10-4936-10	61,263
Mathematics and Science Partnership	84.366B	11-4936-00	42,349
Mathematics and Science Partnership	84.366B	11-4936-10	<u>48,089</u>
			<u>209,649</u>
IDEA - Improvement Grants	84.323A	11-4631-RN	<u>503</u>
ARRA - Education Jobs Fund	84.410A	11-4880-93	16,607
ARRA - Education Jobs Fund	84.410A	11-4880-95	<u>32,953</u>
			<u>49,560</u>
(M) McKinney Education for Homeless Children	84.196A	10-4920-00	24,530
(M) McKinney Education for Homeless Children	84.196A	11-4920-00	<u>323,808</u>
			348,338
(M) ARRA - McKinney Education for Homeless Children Education of Homeless Children and Youth Cluster	84.387A	10-4862-00	<u>21,722</u>
			<u>370,060</u>
Title I - Migrant Education	84.011A	10-4340-01	60,686
Title I - Migrant Education	84.011A	11-4340-00	11,294
Title I - Migrant Education	84.011A	11-4340-01	<u>18,735</u>
			<u>90,715</u>
Title I - Migrant Education Incentive	84.144F	10-4341-00	2,433
Title I - Migrant Education Incentive	84.144F	11-4341-00	<u>1,840</u>
			<u>4,273</u>
Total U.S. Department of Education passed through Illinois State Board of Education			<u>724,760</u>
U.S. Department of Education Rural Education Achievement Program			
	84.358A	11-4999-00	<u>20,850</u>
U.S. Department of Education Title I, Part A Cluster: Passed through Boone-Winnebago Counties - Regional Office of Education No. 4			
(M) Regional System of Support (Title I - School Improvement)	84.010A	11-4935-SS	79,649
Passed through Illinois State Board of Education			
(M) ARRA Title I - School Improvement	84.389A	11-4854-00	<u>120,000</u>
Total U.S. Department of Education Title I, Part A Cluster			<u>199,649</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>980,941</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lee/Ogle Counties Regional Office of Education No. 47 and is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the basic financial statements.

NOTE 2 - SUBRECIPIENTS

Of the federal expenditures presented in the accompanying Schedule of Expenditures of Federal Awards, Lee/Ogle Counties Regional Office of Education No. 47 provided \$227,957 to sub-recipients during fiscal year ended June 30, 2011 as follows:

To:	Ogle County Education Cooperative (OCEC):		
	84.358A	2011-4999-00 Rural Education Achievement Program	\$ 8,340
To:	Harlem Consolidated School District No. 122:		
	84.196	2010-4920-00 McKinney Education for Homeless Children	2,188
To:	Rock Island County Regional Office of Education No. 49:		
	84.196	2011-4920-00 McKinney Education for Homeless Children	4,000
To:	Bureau, Henry, and Stark Counties Regional Office of Education No. 28:		
	84.196	2011-4920-00 McKinney Education for Homeless Children	19,922
To:	Carroll, Jo Daviess, and Stephenson Counties Regional Office of Education No. 8:		
	84.196	2011-4920-00 McKinney Education for Homeless Children	17,345
To:	DeKalb County Regional Office of Education No. 16:		
	84.196	2011-4920-00 McKinney Education for Homeless Children	20,179
To:	LaSalle County Regional Office of Education No. 35:		
	84.196	2011-4920-00 McKinney Education for Homeless Children	27,221
To:	Marshall, Putnum, and Woodford Counties Regional Office of Education No. 43:		
	84.196	2011-4920-00 McKinney Education for Homeless Children	5,797

**LEE/OGLE COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 47
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011**

NOTE 2 - SUBRECIPIENTS (CONTINUED)

To:	Boone and Winnebago Counties Regional Office of Education No. 4:			
	84.196	2011-4920-00	McKinney Education for Homeless Children	\$ 95,831
To:	Rock Island County Regional Office of Education No. 49:			
	84.196	2011-4920-00	McKinney Education for Homeless Children	7,642
To:	Whiteside County Regional Office of Education No. 55:			
	84.196	2011-4920-00	McKinney Education for Homeless Children	19,492

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

The following federal programs were audited as major programs in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

McKinney Education for Homeless Children - to account for the grant monies received for, and payment of, expenditures relating to McKinney Education for Homeless Children program.

ARRA - McKinney Education for Homeless Children - to account for the grant monies received for, and payment of, expenditures relating to McKinney Education for Homeless Children program.

ARRA Title I - School Improvement - this program provides support to schools and districts who have not met their "adequate yearly progress" requirements and have been placed on the state "status" list for the first or second year.

Regional System of Support Providers (Title I - School Improvement) - to account for the grant monies received for, and payment of, the expenditures to support schools and districts who have been identified as in federal "School Improvement Status" due to not making adequate yearly progress.

NOTE 4 - NON-CASH ASSISTANCE

N/A

NOTE 5 - AMOUNT OF INSURANCE

N/A

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

N/A

This information is an integral part of the accompanying schedule.