

State of Illinois
REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2009

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
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JUNE 30, 2009

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REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
JUNE 30, 2009

OFFICIALS

Regional Superintendent
(Current and during the audit period)

Ms. Helen Tolan

Assistant Regional Superintendent
(Current, Acting Effective June 16, 2009)

Mr. Jeff Vose

Assistant Regional Superintendent
(Acting Effective July 1, 2008 through July 31, 2008 and
February 2, 2009 through June 15, 2009)

Mr. Charles Flamini

Assistant Regional Superintendent
(Acting Effective August 1, 2008 through January 15, 2009)

Mr. Gary Sullivan

Office is located at:

200 South Ninth Street
Room 303 County Complex
Springfield, IL 62701-1629

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
JUNE 30, 2009

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	5	2
Repeated audit findings	1	1
Prior recommendations implemented Or not repeated	1	0

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

An additional matter which is less than a significant deficiency or material weakness but more than inconsequential has been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, this issue may have been included as an immaterial finding in the auditors' reports.

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*)

09-01	12a	Controls Over Financial Statement Preparation	Material Weakness
09-02	12c	Payroll Reporting	Significant Deficiency

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
JUNE 30, 2009

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

09-03	12d	Inadequate Internal Control Procedures	Material Weakness
09-04	12g	Improper Recording of Reimbursements and Administrative Fees Between Programs	Material Weakness
09-05	12i	Improper Revenue Classifications	Material Weakness

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

08-02	15	Controls Over Institute Fund Expenditures	Significant Deficiency
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on September 29, 2009. Attending were Helen Tolan, Regional Superintendent and Tami Knight, Partner, Kemper CPA Group, LLP. Responses to the recommendations were provided by Helen Tolan, Regional Superintendent.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
JUNE 30, 2009

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Sangamon County Regional Office of Education #51 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #51's basic financial statements.



INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #51, as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #51's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #51's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #51, as of June 30, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 29, 2010 on our consideration of the Regional Office of Education #51'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 16a through 16g and 51 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #51's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, 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.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mattoon, Illinois
January 29, 2010



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #51, as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #51's basic financial statements and have issued our report thereon dated January 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #51's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education #51's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #51's internal control over financial reporting.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in findings 09-01, 09-03, and 09-04 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in finding 09-02 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #51'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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 09-02.

We also noted certain matters which we have reported to management of the Regional Office of Education #51 in a separate letter dated January 29, 2010.

The Regional Office of Education #51's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Regional Office of Education #51's responses and, accordingly, we express no opinion on them.

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, 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.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mattoon, Illinois
January 29, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO 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 compliance of the Regional Office of Education #51 with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Regional Office of Education #51's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Regional Office of Education #51's management. Our responsibility is to express an opinion on the Regional Office of Education #51's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Regional Office of Education #51'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 of the Regional Office of Education #51's compliance with those requirements.

In our opinion, the Regional Office of Education #51 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Regional Office of Education #51 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 Regional Office of Education #51's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing

procedures for the purpose of expressing our opinion on compliance 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 Regional Office of Education #51's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 09-03, 09-04, and 09-05 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider 09-03, 09-04, and 09-05 to be material weaknesses.

Regional Office of Education #51's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Regional Office of Education #51's responses and, accordingly, we express no opinion on them.

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, 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.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mattoon, Illinois
January 29, 2010

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes
- Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

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 OMB Circular A-133, Section 510(a)? Yes

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.357A	Title I - Reading First Part B SEA

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

Auditee qualified as a low-risk auditee? No

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 09-01 – Controls Over Financial Statement Preparation (Repeated from Finding 08-01 & 07-01)

Criteria/specific requirement:

The Regional Office of Education #51 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The Regional Office's 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 #51 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 financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, no entries were provided to reconcile the Regional Office of Education #51's grant activity, such as posting grant receivables and deferred revenues.

Effect:

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

Cause:

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

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-01 – Controls Over Financial Statement Preparation (Repeated from Finding 08-01 & 07-01) (Concluded)

Auditors Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #51 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:

The Regional Office understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office of Education staff has a reasonable understanding of the financial statements and can determine that the information in the financial statements is accurate, however, lacks the ability to prepare the notes to the financial statements. The recommendation that "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's activities and operations," has been noted by this office. We will continue to work with the other Regional Offices of Education to determine the most effective method of ensuring that our employees possess the knowledge required to compile the necessary GAAP based financial statements.

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-02 – Payroll Reporting

Criteria/Specific Requirement:

Internal Revenue Service Publication 15-A requires existing employees of an entity that are compensated for duties beyond the duties of their original agreement to be paid as wages subject to all payroll taxes and withholdings.

Condition:

During our testing we noted one instance where an employee who met the criteria of an employee, as set forth by *Internal Revenue Service Publication 15-A*, was paid \$1,000 as an independent contractor.

Effect:

The Regional Office was not in compliance with *Internal Revenue Service Publication 15-A*.

Cause:

The Regional Office was unaware of the proper reporting requirements for additional compensation to existing employees.

Recommendation:

The Regional Office should develop policies and procedures to ensure that all additional compensation paid to existing employees is reported as wages subject to all applicable payroll taxes and withholdings. In addition, the Regional Office should contact the Internal Revenue Service and the Illinois Municipal Retirement System to determine if the Regional Office is required to file amended reporting for the applicable periods.

Management's Response:

The Regional Office will develop policies and procedures to ensure that all additional compensation paid to existing employees is reported as wages subject to all applicable payroll taxes and withholdings.

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-03 – Inadequate Internal Control Procedures

Federal Program Name & Year: Title I Reading First Part B SEA

Project Number: 09-4337-00

CFDA Number: 84.357A

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

The Regional Superintendent of Schools is responsible for establishing and maintaining an internal control system over receipts and disbursements to prevent errors and fraud.

Condition:

During the audit we noted the following weaknesses in the Regional Office of Education's internal control system:

- A. The individual who reconciles the Regional Office's cash receipts is not independent of the receipts process.
- B. There is no documented review of the Regional Office's quarterly and annual payroll reports or the automated withdrawals related to payroll withholdings from the Regional Office's checking account.
- C. One credit card expenditure only had two of the three charges supported by original receipts.
- D. There is no documented review of the Regional Office's general journal entries prior to being posted to the accounting system.
- E. One expenditure was not supported with proper documentation.

Questioned Costs:

- A. None
- B. None
- C. None
- D. None
- E. \$425

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-03 – Inadequate Internal Control Procedures (Continued)

Context:

- A. Not Applicable
- B. Not Applicable
- C. Not Applicable
- D. Not Applicable
- E. One exception in the amount of \$425 was noted in a sample of 40 disbursements totaling \$686,482.

Effect:

Lack of effective internal control procedures could result in unintentional or intentional errors or misappropriations of assets, in which the errors or fraud could be material to the financial statements and may not be detected in a timely manner by employees in the normal course of performing their assigned duties.

Cause:

The Regional Office has not established sufficient internal control procedures.

Recommendation:

- A. An individual independent of the cash receipts process should reconcile the cash receipts to the receipt book and deposit slip.
- B. An individual independent of the payroll process should review the Regional Office's payroll tax reports to ensure the amounts agree with the Regional Office's payroll system prior to submission and verify that the automatic withdrawals for payroll tax withholdings from the Regional Office's checking account agree with the payroll reports. In addition, these reviews should be documented.
- C. All credit card charges should be supported by an original receipt that has been approved by the Regional Superintendent.
- D. All journal entries should be reviewed prior to being posted to the accounting system by an individual independent of the general ledger. This review should be documented on the journal entry's supporting documentation.
- E. The Regional Office should ensure that all disbursements have documentation that supports the amount of the expenditure prior to disbursing the funds.

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-03 – Inadequate Internal Control Procedures (Concluded)

Management's Response:

The Regional Office will implement internal control procedures requiring receipts for all expenditure requests, submit all payroll withholding reports to the Regional Superintendent for review and authorization, and will ensure that all disbursements have documentation that supports the amount of the expenditure prior to disbursing the funds. Further controls for cash receipts will be implemented to accommodate the separation of duties required for reconciling cash receipts to the receipt book and deposit slips.

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-04 – Improper Recording of Reimbursements and Administrative Fees Between Programs

Federal Program Name & Year: Title I Reading First Part B SEA

Project Number: 09-4337-00

CFDA Number: 84.357A

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

Generally Accepted Accounting Principles require revenues and expenditures only be recognized once in an entity's financial statements.

Condition:

- A. The Regional Office records internal reimbursements as local revenue instead of crediting a due from other fund and then reversing the transaction when the reimbursement is made.
- B. The Regional Office receives an administrative fee to cover the administrative cost of being the fiscal administrator for several State and federal grants. The Regional Office accounts for their administrative costs in their Administrative Discretionary Fund, therefore, they move this fee to the Administrative Discretionary Fund. When the fee is moved to the Administrative Discretionary Fund it is recorded as local revenue instead of a transfer in and an expense in the grant instead of a transfer out.

Questioned Cost:

- A. Not Applicable
- B. Not Applicable

Context:

- A. Not Applicable
- B. The Regional Office recognized approximately \$1.35 million in federal revenue in FY2009, of which \$62,800 was reported as federal revenue and again as local revenue.

Effect:

The local revenue and the related expenses were overstated in total by \$164,963.

Cause:

The Regional Office was not aware of the proper reporting of internal reimbursements and administrative grant fees.

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-04 – Improper Recording of Reimbursements and Administrative Fees Between Programs (Concluded)

Recommendation:

- A. The Regional Office should report expenditures paid on-behalf of other funds as a due from and due to other funds and clear these accounts when the reimbursement is recorded.
- B. The administrative fee, for functioning as the fiscal administrator for a grant, should be transferred to the Administrative Discretionary Fund through transfer in and out accounts to avoid reflecting the revenues and expenditures twice in the accounting records.

Management's Response:

The Regional Office will report expenditures paid on-behalf of other funds as a due from and due to other funds and clear the accounts when the reimbursement is recorded. Administrative fees will be transferred to the Administrative Discretionary Fund through transfer in and out accounts to avoid reflecting the revenues and expenditure twice in the accounting records.

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-05 – Improper Revenue Classifications

Federal Program Name & Year: Area III – Homeless Liaison Project, System of Support (Title I School Improvement and Accountability), Standards Aligned Classroom

Project Number: 09-4920-00, 09-4331-01, 09-4935-00

CFDA Number: 84.196A, 84.010A, 84.367A

Passed Through: Regional Office of Education #26, Two Rivers Professional Development Center, Regional Office of Education #48 through Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/specific requirement:

The Regional Office of Education #51 is required by the Illinois State Board of Education (ISBE) to maintain its accounting system consistent with the ISBE Regional Office of Education Accounting Manual. That manual requires the Regional Office of Education #51 to track funding sources as Federal, State, or Local.

Condition:

The Regional Office of Education #51 classified \$70,049 of federal grant flow through revenue in their general ledger system as local revenue.

Questioned Costs:

Not Applicable

Context:

The Regional Office received approximately \$1.35 million in Federal funding, of which, \$70,049 was misclassified as local revenue.

Effect:

Revenues and expenditures are not classified in accordance with the ISBE Regional Office of Education Accounting Manual.

Cause:

The Regional Office of Education was not aware that this flow through revenue should be classified as federal revenue.

Recommendation:

The Regional Office of Education #51 should identify and record revenues as Local, State or Federal revenue in accordance with requirements identified by the ISBE Regional Office of Education Accounting Manual.

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

Finding No. 09-05 – Improper Revenue Classifications (Concluded)

Management's Response:

The Regional Office will require all flow through funding entities to identify the original source of revenues as local, State or federal revenue in accordance with requirements identified by the ISBE Regional Office of Education Accounting Manual and will classify all revenues according to source.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

INSTANCES OF NONCOMPLIANCE:

NONE

SIGNIFICANT DEFICIENCIES:

Finding No. 09-03 – Inadequate Internal Control Procedures (details on p. 12d-12f)

Finding No. 09-04 – Improper Recording of Reimbursements and Administrative Fees Between Programs (details on p. 12g-12h)

Finding No. 09-05 – Improper Revenue Classifications (details on p. 12i-12j)

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2009

Corrective Action Plan

Finding No. 09-01 – Controls Over Financial Statement Preparation (Repeated from Finding 08-01 & 07-01)

Condition:

The Regional Office of Education #51 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 financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, no entries were provided to reconcile the Regional Office of Education #51's grant activity, such as posting grant receivables and deferred revenues.

Plan:

The Regional Office understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office of Education staff has a reasonable understanding of the financial statements and can determine that the information in the financial statements is accurate, however, lacks the ability to prepare the notes to the financial statements. The recommendation that "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's activities and operations," has been noted by this office. We will continue to work with the other Regional Offices of Education to determine the most effective method of ensuring that our employees possess the knowledge required to compile the necessary GAAP based financial statements.

Anticipated Date of Completion:

June 30, 2010

Contact Person Responsible for Corrective Action:

Honorable Helen Tolen, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2009

Corrective Action Plan (Continued)

Finding No. 09-02 – Payroll Reporting

Condition:

During our testing we noted one instance where an employee who met the criteria of an employee, as set forth by *Internal Revenue Service Publication 15-A*, was paid \$1,000 as an independent contractor.

Plan:

The Regional Office will develop policies and procedures to ensure that all additional compensation paid to existing employees is reported as wages subject to all applicable payroll taxes and withholdings.

Anticipated Date of Completion:

June 30, 2010

Contact Person Responsible for Corrective Action:

Honorable Helen Tolen, Regional Superintendent of Schools

Finding No. 09-03 – Inadequate Internal Control Procedures

Condition:

During the audit we noted the following weaknesses in the Regional Office of Education's internal control system:

- A. The individual that reconciles the Regional Office's cash receipts is not independent of the receipts process.
- B. There is no documented review of the Regional Office's quarterly and annual payroll reports or the automated withdrawals related to payroll withholdings from the Regional Office's checking account.
- C. During our testing of internal controls over general disbursements we noted one credit card expenditure where only two of the three charges were supported by original receipts.
- D. There is no documented review of the Regional Office's general journal entries prior to being posted to the accounting system.
- E. During our testing of internal controls over compliance, we noted one expenditure where the amount was not supported by the documentation.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2009

Corrective Action Plan (Continued)

Finding No. 09-03 – Inadequate Internal Control Procedures (Concluded)

Plan:

The Regional Office will implement internal control procedures requiring receipts for all expenditure requests, submit all payroll withholding reports to the Regional Superintendent for review and authorization, and will ensure that all disbursements have documentation that supports the amount of the expenditure prior to disbursing the funds. Further controls for cash receipts will be implemented to accommodate the separation of duties required for reconciling cash receipts to the receipt book and deposit slips.

Anticipated Date of Completion:

June 30, 2010

Contact Person Responsible for Corrective Action:

Honorable Helen Tolen, Regional Superintendent of Schools

Finding No. 09-04 – Improper Recording of Reimbursements and Administrative Fees Between Programs

Condition:

- A. The Regional Office records internal reimbursements as local revenue instead of crediting a due from other fund and then reversing the transaction when the reimbursement is made.
- B. Administrative fees that the Regional Office receives for functioning as the fiscal administrator of various grants is recorded as revenue when received by the grant, expense to the grant and local revenue to the Administrative Discretionary Fund when the Regional Office transfers the funding to cover their administrative expenses.

Plan:

The Regional Office will report expenditures paid on-behalf of other funds as a due from and due to other funds and clear the accounts when the reimbursement is recorded. Administrative fees will be transferred to the Administrative Discretionary Fund through transfer in and out accounts to avoid reflecting the revenues and expenditure twice in the accounting records.

Anticipated Date of Completion:

June 30, 2010

Contact Person Responsible for Corrective Action:

Honorable Helen Tolen, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2009

Corrective Action Plan (Concluded)

Finding No. 09-05 – Improper Revenue Classifications

Condition:

The Regional Office of Education #51 is required by the Illinois State Board of Education (ISBE) to maintain its accounting system consistent with the ISBE Regional Office of Education Accounting Manual. That manual requires the Regional Office of Education #51 to track funding sources as Federal, State, or Local.

Plan:

The Regional Office will require all flow through funding entities to identify the original source of revenues as local, State or federal revenue in accordance with requirements identified by the ISBE Regional Office of Education Accounting Manual and will classify all revenues according to source.

Anticipated Date of Completion:

June 30, 2010.

Contact Person Responsible for Corrective Action:

Honorable Helen Tolen, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2009

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
08-01	Controls Over Financial Statement Preparation	Repeated
08-02	Controls Over Institute Fund Expenditures	Corrected

MANAGEMENT'S DISCUSSION AND ANALYSIS

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Sangamon County Regional Office of Education #51 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, 2009. We encourage readers to consider this information in conjunction with the Agency's financial statements, which follow.

This report will include past year financial activity, along with fiscal year 2009 activity, making comparisons of the financial position and results of operations more meaningful.

FINANCIAL HIGHLIGHTS

General Fund revenues increased from \$496,272 in fiscal year 2008 to \$679,891 in fiscal year 2009, and the expenditures increased from \$533,202 in fiscal year 2008 to \$808,726 in fiscal year 2009. The reason for this increase is that the Regional Office began recording payments that Sangamon County made on behalf of the Regional Office in the Regional Office's financial statements as local on-behalf revenue and expenditures in fiscal year 2009 and did not in fiscal year 2008. The Regional Office experienced a slight increase in the General Fund balance from \$383,461 in fiscal year 2008 to \$395,656 in fiscal year 2009 due to unrestricted funding that was transferred into the General Fund.

The decrease in General Fund revenues is attributable to the decrease in Administrative Fees received from grant programs and interest earned on fund balances, along with an increase in grant funds receivable at year end.

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 the Regional Office's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Sangamon County Regional Office of Education #51 as a whole and present an overall view of the Regional Office'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 the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Supplementary Information further explains and supports the financial statements with a comparison of the Regional Office's detailed information for each category of funds and also provides detailed information about the non-major funds.

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Reporting the Agency as a Whole

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the Sangamon County Regional Office of Education #51 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the Sangamon County ROE #51 assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

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

Fund Financial Statements

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices which allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office of Education #51 established other funds to control and manage money for particular purposes.

The Regional Office has three types of fund classifications:

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

The governmental fund's required financial statements include a Balance Sheet and a Statement of Revenue, Expenditures and Changes in Fund Balances.

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Reporting the Agency as a Whole (Concluded)

- 2) Proprietary funds account for services for which the Regional Office of Education #51 charges fees under a cost-reimbursement method. These fees cover the costs of certain services and workshops it provides.

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

- 3) Fiduciary funds account for services for which the Sangamon County Regional Office of Education #51 acts as fiscal agent for individuals and private or governmental organizations.

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

A summary reconciliation between the government-wide financial statements and the fund financial statements is included in the basic financial statements.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of financial position. Sangamon County Regional Office of Education #51's net assets at the end of fiscal year 2008 totaled \$1,317,186. At the end of fiscal year 2009, the net assets were \$1,296,386. The analysis that follows provides a summary of the Regional Office's net assets at June 30, 2009 and 2008.

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

**CONDENSED STATEMENT OF NET ASSETS
June 30, 2009 and 2008**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
ASSETS						
Current assets	\$ 1,552,201	\$ 1,641,643	\$ 1,085	\$ (298)	\$ 1,553,286	\$ 1,641,345
Capital assets, net of depreciation	<u>17,293</u>	<u>19,948</u>	<u>-</u>	<u>-</u>	<u>17,293</u>	<u>19,948</u>
TOTAL ASSETS	<u>\$ 1,569,494</u>	<u>\$ 1,661,591</u>	<u>\$ 1,085</u>	<u>\$ (298)</u>	<u>\$ 1,570,579</u>	<u>\$ 1,661,293</u>
LIABILITIES						
Current liabilities	\$ 273,964	\$ 336,502	\$ 229	\$ 2,500	\$ 274,193	\$ 339,002
Compensated absences	<u>-</u>	<u>5,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,105</u>
TOTAL LIABILITIES	<u>273,964</u>	<u>341,607</u>	<u>229</u>	<u>2,500</u>	<u>274,193</u>	<u>344,107</u>
NET ASSETS						
Investments in capital assets, net of related debt	17,293	19,948	-	-	17,293	19,948
Unrestricted	1,063,787	1,079,330	856	(2,798)	1,064,643	1,076,532
Restricted for teacher professional development	<u>214,450</u>	<u>220,706</u>	<u>-</u>	<u>-</u>	<u>214,450</u>	<u>220,706</u>
TOTAL NET ASSETS	<u>\$ 1,295,530</u>	<u>\$ 1,319,984</u>	<u>\$ 856</u>	<u>\$(2,798)</u>	<u>\$ 1,296,386</u>	<u>\$ 1,317,186</u>

The Regional Office of Education's net assets decreased by \$20,800 from fiscal year 2008 to fiscal year 2009. This decrease occurred in the governmental funds due to a decrease in grant funding in several programs, including Title I - Reading First Part B SEA and System of Support.

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

The following analysis shows the changes in net assets for the years ended June 30, 2009 and 2008.

**CHANGES IN NET ASSETS
For the Years Ended June 30, 2009 and 2008**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ 89,783	\$ 49,056	\$ 49,715	\$ 49,056	\$ 139,498
Operating grants & contributions	2,024,659	1,822,865	-	-	2,024,659	1,822,865
General Revenues:						
Local sources	1,009,953	250,339	-	-	1,009,953	250,339
State sources	375,434	-	-	-	375,434	-
Federal sources	107,429	-	-	-	107,429	-
On-behalf payments	513,566	308,743	-	-	513,566	308,743
Investment Income	5,728	38,718	1	-	5,729	38,718
Total revenues	<u>4,036,769</u>	<u>2,510,448</u>	<u>49,057</u>	<u>49,715</u>	<u>4,085,826</u>	<u>2,560,163</u>
Expenses:						
Salaries and benefits	1,482,831	1,222,738	29,185	33,997	1,512,016	1,256,735
Purchased services	1,229,753	784,453	14,239	27,324	1,243,992	811,777
Supplies and materials	810,221	119,140	504	1,207	810,725	120,347
Depreciation	6,569	7,378	-	-	6,569	7,378
Capital outlay	-	-	-	-	-	-
Other objects	23,388	-	1,475	-	24,863	-
Transfers-payments to						
Other governmental units	-	62	-	-	-	62
On-behalf payments	<u>513,566</u>	<u>308,743</u>	<u>-</u>	<u>-</u>	<u>513,566</u>	<u>308,743</u>
Total expenses	<u>4,066,328</u>	<u>2,442,514</u>	<u>45,403</u>	<u>62,528</u>	<u>4,111,731</u>	<u>2,505,042</u>
Change in net assets	<u>(29,559)</u>	<u>67,934</u>	<u>3,654</u>	<u>(12,813)</u>	<u>(25,905)</u>	<u>55,121</u>
Net Assets-beginning	<u>1,325,089</u>	<u>1,252,050</u>	<u>(2,798)</u>	<u>10,015</u>	<u>1,322,291</u>	<u>1,262,065</u>
Net Assets – ending	<u>\$ 1,295,530</u>	<u>\$ 1,319,984</u>	<u>\$ 856</u>	<u>\$ (2,798)</u>	<u>\$ 1,296,386</u>	<u>\$ 1,317,186</u>

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Governmental Activities

Revenues for governmental activities were \$4,036,769 and expenses were \$4,066,328. The one-time Title I - Reading First Part B SEA grant procured by the Regional Office for fiscal years 2005-2009, and are not indicative of future activities, attributes to approximately \$600,000 of the increase. In addition, the change in how the Regional Office records payments made on their behalf by Sangamon County, as detailed earlier in this discussion, attributes to approximately \$250,000 of this increase.

Business-Type Activities

Revenues for the Regional Office of Education #51's business-type activities and expenses combined for a total net asset balance of \$856. The Regional Office is committed to providing quality professional development opportunities for Sangamon County teachers, at a reasonable cost, while maintaining the integrity of the fund. The SDC Workshop Fund is designed to be self-supporting by setting fee schedules that will support expenses incurred to provide professional development workshops for area teachers. Fees will be adjusted from year to year to parallel fund activity.

Financial Analysis of the Regional Office of Education #51 Funds

As previously noted, the Regional Office of Education #51 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office's governmental funds reported combined fund balances of \$1,278,237, below last year's ending fund balance of \$1,305,141. The primary reason for the decrease in combined fund balances in fiscal year 2009 is due to decrease in overall grant funding, as well as, the Regional Office's unsuccessful renewal of the Local Alcohol Program grant.

Governmental Fund Highlights

- In 2003, the Governor of the State of Illinois line item vetoed a portion of the state financial support for school services. This veto resulted in a 51% reduction in dollars received. This reduction in funding continued for 2008-2009.
- County support for the Regional Office of Education #51 decreased approximately 10%, from approximately \$269,300 during the County's fiscal year 2008 to approximately \$250,800 for the County's fiscal year 2009.
- Although grant funding is expected to continue to decrease due to budget constraints, the Regional Office of Education #51 was successful in obtaining continued funding for the Truants Alternative and Optional Education and the Regional Safe Schools Programs.
- The State of Illinois financial deficit could reflect negatively in the ability of the Regional Office to obtain grants necessary for stable or continued growth; however, the Regional Office continues to cooperate with the Illinois State Board of Education and other agencies to procure funding for education programs.

**REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

BUDGETARY HIGHLIGHTS

The Regional Office of Education #51 annually adopts budgets for several funds when required by the granting agency. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the County Board members for their approval. The Sangamon County Office Operations Budget covers a fiscal year of December 1 through November 30. All grant budgets are prepared by the Regional Office of Education #51 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Regional Office's actual financial activity are included in the supplementary information of this report.

Capital Assets

Capital Assets of the Regional Office of Education #51 include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office of Education #51 maintains an inventory of capital assets which have been accumulated over time. The Regional Office of Education #51's ending net capital asset balance for fiscal year 2009 is \$17,293 which is the total original cost of the capital assets less accumulated depreciation. More detailed information about capital assets is available in Note No. 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

- The State of Illinois Foundation level used in the calculation of general state aid increased to \$5,959 per student for fiscal year 2009, which is payable in fiscal year 2010.
- The interest rate on investments remains low and will continue to impact interest earned.
- Several grants have remained near or at previous funding levels. In addition, the School Services funding levels have been reduced.
- County Board support of the Regional Office of Education #51 will decrease in fiscal year 2010 by approximately 5%-10% from the County's fiscal year 2008 funding levels, which was payable to the Regional Office in our fiscal year 2009.
- The number of students served by the Regional Office of Education #51 is expected to increase.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Office's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Regional Office of Education #51, at 200 South 9th St., Room 303, Springfield, IL 62701.

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 889,612	\$ 1,085	\$ 890,697
Due from other governments:			
Local	184,605	-	184,605
State	438,276	-	438,276
Federal	39,708	-	39,708
Total Current Assets	<u>1,552,201</u>	<u>1,085</u>	<u>1,553,286</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	17,293	-	17,293
Total Noncurrent Assets	<u>17,293</u>	<u>-</u>	<u>17,293</u>
TOTAL ASSETS	<u>1,569,494</u>	<u>1,085</u>	<u>1,570,579</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	240,771	229	241,000
Due to other funds	-	-	-
Due to other governments:			
Federal	2,727	-	2,727
Unearned revenue	30,466	-	30,466
Total Current Liabilities	<u>273,964</u>	<u>229</u>	<u>274,193</u>
NET ASSETS			
Invested in capital assets	17,293	-	17,293
Restricted for teacher professional development	214,450	-	214,450
Unrestricted	1,063,787	856	1,064,643
TOTAL NET ASSETS	<u>\$ 1,295,530</u>	<u>\$ 856</u>	<u>\$ 1,296,386</u>

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 1,482,831	\$ -	\$ 727,922	\$ (754,909)	\$ -	\$ (754,909)
Purchased services	1,229,753	-	551,713	(678,040)	-	(678,040)
Supplies and materials	810,221	-	740,274	(69,947)	-	(69,947)
Other objects	23,388	-	836	(22,552)	-	(22,552)
Depreciation expense	6,569	-	-	(6,569)	-	(6,569)
Capital outlay	-	-	3,914	3,914	-	3,914
Administrative:						
On-behalf payments - Local	248,832	-	-	(248,832)	-	(248,832)
On-behalf payments - State	264,734	-	-	(264,734)	-	(264,734)
Total Governmental Activities	<u>4,066,328</u>	<u>-</u>	<u>2,024,659</u>	<u>(2,041,669)</u>	<u>-</u>	<u>(2,041,669)</u>
Business-Type Activities:						
Registration fees	45,403	49,056	-	-	3,653	3,653
Total Business-Type Activities	<u>45,403</u>	<u>49,056</u>	<u>-</u>	<u>-</u>	<u>3,653</u>	<u>3,653</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 4,111,731</u>	<u>\$ 49,056</u>	<u>\$ 2,024,659</u>	<u>(2,041,669)</u>	<u>3,653</u>	<u>(2,038,016)</u>
GENERAL REVENUES:						
Local sources				1,009,953	-	1,009,953
State sources				375,434	-	375,434
Federal sources				107,429	-	107,429
On-behalf payments - Local				248,832	-	248,832
On-behalf payments - State				264,734	-	264,734
Investment earnings				5,728	1	5,729
Total general revenues				<u>2,012,110</u>	<u>1</u>	<u>2,012,111</u>
CHANGE IN NET ASSETS				(29,559)	3,654	(25,905)
NET ASSETS - BEGINNING, RESTATED				1,325,089	(2,798)	1,322,291
NET ASSETS - ENDING				<u>\$ 1,295,530</u>	<u>\$ 856</u>	<u>\$ 1,296,386</u>

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	General Fund	Institute	Education Fund	Non-Major Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 365,596	\$ 214,450	\$ 264,175	\$ 45,391	\$ -	\$ 889,612
Due from other funds	13,137	-	233,559	-	(246,696)	-
Due from other governments:						
Local	16,923	-	32,202	135,480	-	184,605
State	45,477	-	392,799	-	-	438,276
Federal	-	-	39,708	-	-	39,708
TOTAL ASSETS	\$ 441,133	\$ 214,450	\$ 962,443	\$ 180,871	\$ (246,696)	\$ 1,552,201
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 195,784	\$ 44,987	\$ -	\$ 240,771
Due to other funds	45,477	-	116,117	85,102	(246,696)	-
Due to other governments:						
Federal	-	-	2,727	-	-	2,727
Unearned revenue	-	-	30,466	-	-	30,466
Total Liabilities	45,477	-	345,094	130,089	(246,696)	273,964
FUND BALANCES						
Unreserved, reported in:						
General fund	395,656	-	-	-	-	395,656
Special revenue funds	-	214,450	617,349	50,782	-	882,581
Total Fund Balances	395,656	214,450	617,349	50,782	-	1,278,237
TOTAL LIABILITIES AND FUND BALANCES	\$ 441,133	\$ 214,450	\$ 962,443	\$ 180,871	\$ (246,696)	\$ 1,552,201

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
JUNE 30, 2009

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS	\$ 1,278,237
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>17,293</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,295,530</u>

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	Institute	Education Fund	Non-Major Funds	Eliminations	Total Governmental Funds
REVENUES						
Local sources	\$ 61,083	\$ 40,229	\$ 72,231	\$ 836,410	\$ -	\$ 1,009,953
Local sources - on-behalf payments	248,832	-	-	-	-	248,832
State sources	105,242	-	1,049,623	2,447	-	1,157,312
State sources- on-behalf payments	264,734	-	-	-	-	264,734
Federal sources	-	-	1,350,210	-	-	1,350,210
Total Revenues	679,891	40,229	2,472,064	838,857	-	4,031,041
EXPENDITURES						
Instructional Services:						
Salaries and benefits	184,630	-	1,008,055	290,146	-	1,482,831
Purchased services	79,179	46,573	764,509	339,492	-	1,229,753
Supplies and materials	27,687	1,000	670,547	110,987	-	810,221
Other objects	3,664	-	836	18,888	-	23,388
On-behalf payments	513,566	-	-	-	-	513,566
Capital outlay	-	-	3,914	-	-	3,914
Total Expenditures	808,726	47,573	2,447,861	759,513	-	4,063,673
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(128,835)	(7,344)	24,203	79,344	-	(32,632)
OTHER FINANCING SOURCES (USES):						
Transfers in	140,755	-	1,026	20,108	(161,889)	-
Transfers out	(1,026)	-	(65,318)	(95,545)	161,889	-
Interest	1,301	1,088	3,276	63	-	5,728
Total Other Financing Sources (Uses)	141,030	1,088	(61,016)	(75,374)	-	5,728
NET CHANGE IN FUND BALANCES	12,195	(6,256)	(36,813)	3,970	-	(26,904)
FUND BALANCES - BEGINNING	383,461	220,706	654,162	46,812	-	1,305,141
FUND BALANCES - ENDING	\$ 395,656	\$ 214,450	\$ 617,349	\$ 50,782	\$ -	\$ 1,278,237

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ (26,904)

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

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

Capital outlay	\$ 3,914	
Depreciation expense	<u>(6,569)</u>	<u>(2,655)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (29,559)

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	Business-Type Activities - Enterprise Fund	
	SDC	
	Workshop Fund	Total
ASSETS		
Cash and cash equivalents	\$ 1,085	\$ 1,085
TOTAL ASSETS	1,085	1,085
LIABILITIES		
Accounts payable	229	229
TOTAL LIABILITIES	229	229
NET ASSETS		
Unrestricted	856	856
TOTAL NET ASSETS	\$ 856	\$ 856

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Fund	
	SDC	
	Workshop Fund	Total
OPERATING REVENUES		
Workshop fees	\$ 49,056	\$ 49,056
Total Operating Revenues	49,056	49,056
OPERATING EXPENSES		
Salaries and benefits	29,185	29,185
Purchased services	14,239	14,239
Supplies and materials	504	504
Other objects	1,475	1,475
Total Operating Expenses	45,403	45,403
OPERATING INCOME (LOSS)	3,653	3,653
NONOPERATING REVENUE (EXPENSE)		
Interest	1	1
Total Nonoperating Revenue	1	1
CHANGE IN NET ASSETS	3,654	3,654
TOTAL NET ASSETS - BEGINNING	(2,798)	(2,798)
TOTAL NET ASSETS - ENDING	\$ 856	\$ 856

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Fund	
	SDC Workshop Fund	Totals
Cash Flows from Operating Activities:		
Receipts from customers	\$ 49,356	\$ 49,356
Payments to suppliers and providers of goods and services	(18,489)	(18,489)
Payments to employees	(29,185)	(29,185)
Net Cash Provided by (Used for) Operating Activities	1,682	1,682
Cash Flows from Noncapital Financing Activities:		
Receipts (payments) for interfund borrowing, net	(598)	(598)
Net Cash Provided by (Used for) Noncapital Financing Activities	(598)	(598)
Cash Flows from Investing Activities:		
Interest earned	1	1
Net Cash Provided by Investing Activities	1	1
Net Increase (Decrease) in Cash	1,085	1,085
Cash and cash equivalents - Beginning	-	-
Cash and cash equivalents - Ending	\$ 1,085	\$ 1,085
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$ 3,653	\$ 3,653
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Decrease in Due from other governments	300	300
(Decrease) in Accounts payable	(2,271)	(2,271)
Net Cash Provided by (Used for) Operating Activities	\$ 1,682	\$ 1,682

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

REGIONAL OFFICE OF EDUCATION #51
 SANGAMON COUNTY
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 JUNE 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 88,648
TOTAL ASSETS	<u>\$ 88,648</u>
 LIABILITIES	
Due to other governments	\$ 88,648
TOTAL LIABILITIES	<u>\$ 88,648</u>

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #51 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2009, the Regional Office of Education #51 implemented Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The Regional Office of Education #51 implemented these standards during the current year; however, GASB No. 49, 52, 55, and 56 had no impact on the financial statements.

A. FINANCIAL REPORTING ENTITY

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #51's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; to investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

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

For the period ended June 30, 2009, the Regional Office of Education #51 applied for, received, and administered numerous state and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #51. Such activities are reported as a single special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #51's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #51 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #51 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #51 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #51 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #51 being considered a component unit of the entity.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #51's activities with most of the inter-fund activities removed. Governmental activities include programs supported primarily by state and federal grants and other intergovernmental revenues. The Regional Office of Education has one business-type activity that relies on fees and charges for support.

The Regional Office of Education #51's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #51 accompanied by a total column. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Regional Office of Education #51's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

E. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #51; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict the guidance of the Governmental Accounting Standards Board.

Under the provision of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Regional Office of Education applies all GASB pronouncements and has elected to apply only the pronouncements issued on or before November 30, 1989 for the following: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedures.

Under the terms of grant agreements, Sangamon County Regional Office of Education #51 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 Sangamon County Regional Office of Education #51's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING

The Regional Office of Education #51 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #51 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

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

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as non-major funds. The Regional Office of Education #51 has presented all major funds that met the above qualifications.

The Regional Office of Education #51 reports the following major governmental funds:

General Fund - The General Fund is the operating fund of the Regional Office of Education #51. It is used to account for the expenditures, which benefit all school districts in the region except those required to be accounted for in other funds. General Funds include the following:

Local – These funds are generated through interest and fees earned for providing various administrative functions for entities including the Illinois State Board of Education, the Technology Conference and Illinois Special Education Administrators and are used to assist in providing for the needs of the Staff Development Center (SDC) not funded through State or county dollars.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Administrative Discretionary – These funds are generated through interest and fees earned for providing various administrative functions for entities including the Illinois State Board of Education, the Technology Conference and Illinois Special Education Administrators and are used to assist in providing for the needs of the Regional Office not funded through State or county dollars.

ROE/ISC Operations – These funds are provided, by the Illinois State Board of Education, through a budget application process, to Regional Offices to provide staff development to district schools and teachers. The SDC offers Administrator Academy activities, School Improvement initiatives, and staff development opportunities in the areas of reading, math, science, and technology. Monies are used for overhead costs and salaries of employees at the Staff Development Center.

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

Institute Fund – The Teacher Institute Fund accounts for teacher registration fees. 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 teacher institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers. All funds generated remain restricted until expended only on the aforementioned activities.

Education - This fund is used to account for various grants supporting education enhancement programs as follows:

Regional Safe School – This program provides activities for disruptive students who are eligible for suspension or expulsion. The activities provide individually designed curriculum, social skills training, career exploration and work experience opportunities, and opportunities to work toward re-entry into the traditional programs, if appropriate.

Title V - Innovative Program – This program supports local education reform efforts that are consistent with and sustain statewide reform efforts; implement promising education reform programs, provide for innovative and educational improvement and assist in meeting the needs of at-risk and high-cost students.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

School Directory – This program provides a directory that is published annually and distributed to all Sangamon County schools. The directory includes employee listings, enrollment and demographic information of all Sangamon County schools, public and private.

Kindergarten Learning Standards – This program’s funds were generated through collaboration between the Illinois State Board of Education and kindergarten teachers throughout that State. This was the first opportunity for kindergarten teachers and administrators to access the new standards specifically designed for kindergarten. In addition to releasing the standards on Kindergarten Day, training sessions on the standards are being provided at various locations throughout the State in collaboration with the Illinois State Board of Education and Regional Offices of Education.

Preschool for All – This program’s funds were generated to provide educational services to all 3- to 5-year-old children whose families choose to participate to ensure that all Illinois children develop a strong foundation for learning.

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

Standards Aligned Classroom (SAC) – The Standards Aligned Classroom initiative helps educators rethink the relationship between assessment and effective schools. It centers on how we assess student achievement, and how we use assessment in the service of student success. Six teams from Sangamon County participate in the SAC initiative. Team meetings are held to help teachers align their curriculum with the Illinois Learning Standards and develop appropriate assessment using the Stiggins book and resources.

Area III - Homeless Liaison Project – This grant provides funds for providing information to schools, community members, and government entities about the educational rights of homeless students.

Illinois Student Exchange – This exchange program is run by the Illinois State Board of Education. It sends American students to Japan and brings Japanese students to our country. The ROE serves as administrative agent for this program.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Sangamon County Truants Alternative Optional Education Program (TAOEP) – This program is devoted to ensuring that each referred at-risk student will be provided with individualized educational and supplemental services that meet the holistic needs of the student in the pursuit of their educational development. TAOEP offerings include: identification of at-risk students and dropouts, truancy intervention services, academic intervention and remediation, parental skills development, and network with community agencies and businesses.

Certificate Renewal – This grant is provided by the Illinois State Board of Education to assist local professional development committees in fulfilling their responsibilities.

Illinois Department of Public Health (IDPH) Dental Sealant – This program, funded by the Illinois Department of Public Health grant, provides funding to assist in providing a tooth sealant program for low income students in Sangamon County.

Background Checks – The Regional Office provides background checks/fingerprinting to all schools in Sangamon County for new hires. The schools send requests to the ROE, who forwards background check information to the Illinois State Police database. The fee for the background check and/or fingerprinting is paid by each school district.

Early School Leaver Conference – This program, funded by the Illinois State Board of Education, holds workshops for individuals involved in programs for students who leave the traditional school program before graduation.

Early Childhood – This program provides workshops to assist teachers working in the area of early childhood development.

State and Federal School Breakfast and Lunch – This program is designed to provide breakfast and lunch free or at reduced prices to eligible students, as determined in accordance with federal and state guidelines, as a healthy start to the school day to enhance the student's learning abilities. All meals provided must meet U.S. Department of Agriculture requirements for servings and nutrition.

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Sangamon County Learning Academy (SCLA) Lunch – This program purchases lunches, from donated funds, for students at the Sangamon County Learning Academy on days when lunches were not provided or for students in need.

New Principal Mentoring – This program provides for the selection and training of experienced principals to serve as mentors for new principals and for the new principals' participation in the mentoring program designed for them. Funds flow through the Illinois Principals Association for the Illinois State Board of Education.

Title IV - Community Service – This program partners students with community service projects to enhance learning through service work. This project allowed students from Sangamon County Regional Safe Schools Program to work with the Southeast Branch of Lincoln Library to help enhance their Children's Reading Room. Funds provided Safe School counseling, supervision, supplies, and materials for the project.

Learn and Serve America – These funds are awarded to support service-learning programs specifically for at-risk populations of suspended or expelled students participating in the Regional Safe Schools Program.

State and Community Highway Safety Local Alcohol Prevention (LAP) – The goal of the Local Alcohol Prevention program is to increase public awareness activities and educational opportunities for students as well as residents of Sangamon County. Students of the 18 public and private Sangamon County High Schools become the decision makers and plan the activities for Youth Empowerment, Prevention Day, and Middle School Positive Choices. These representatives are chosen by their schools to represent them at the committee meetings held monthly. This grant provides the ROE the opportunity to educate the community, students, and staff of Sangamon County on the perceptions and attitudes toward drinking and driving.

Continuum of Learning – The Regional Office of Education has contracted with Springfield Community Federation in an effort to ascertain how many children are entering the public school system. This information will then be used to help individuals determine donation arrangements.

ISBE Initiatives – The Regional Office of Education contracts with ISBE to provide staff support for statewide education initiatives supported by the Illinois Mathematics and Science Partnership Program and Enhancing Education Through Technology program as well as other ISBE initiatives.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

Those Who Excel – The ROE acts as the fiscal agent for the annual Teacher of the Year banquet hosted by the Illinois State Board of Education.

ISBE Special Education Task Force – The Regional Office of Education contracts with ISBE to provide consultant support for the work of the Special Education Task Force. This program facilitates Task Force Meetings, provides technical assistance to the Task Force, conducts research as required by the Task Force, and submits minutes for each Task Force monthly meeting.

The Regional Office of Education #51 reports the following non-major governmental funds:

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

General Education Development (GED) Certificate – Illinois law requires the Regional Superintendent of Schools of each county/counties to administer the GED test. The GED tests are given at Lanphier High School once a month. Testing fees provide for testing materials and staff salaries.

Bus Driver Training – Experience drivers must take a two-hour refresher course annually, while all new drivers must take an eight-hour course in bus driver safety and first aid, prescribed by the Illinois State Board of Education and administered by the Regional Office.

Supervisory Expenses – This fund was developed by the General Assembly to help support the day-to-day activities of the Regional Superintendent.

General Education Development (GED) Holistic Scoring – The Regional Office provides scoring services for the written essay portion of the GED tests.

Cook County General Education Development (GED) – The Regional Office acts as the fiscal agent for the General Education Development testing program for the Cook County area. The Regional Office maintains an office and support staff in the Cook County area.

PROPRIETARY FUNDS

Proprietary funds account for revenues and expenses related to services provided to organizations within the region on a cost reimbursement basis. The Regional Office of Education #51 reports the following proprietary fund:

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS (Concluded)

SDC Workshop Fund – This fund is an enterprise fund established to track revenues received and expenses incurred in offering professional development workshops for teachers and administrators in Sangamon County.

FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #51 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds include the following:

Bilingual Directors Annual Meeting –The Regional Office of Education acts as the fiscal agent for this annual meeting of Bilingual Directors, hosted by ISBE.

Illinois Education and Technology Conference – The Regional Office acts as the fiscal agent for this annual conference, which provides an opportunity to discover how educators can be an active part of the information revolution. Funding is derived from registration fees, vendor fees, and sponsorship fees.

Sangamon County Learning Academy – This is a self-supporting account that provides services for students at the Sangamon County Learning Academy. Funds are derived from lunch money and registration fees.

Sangamon County Schoolmasters – The Schoolmasters is an organization of all Sangamon County superintendents and school directors. Membership fees are used to provide meetings and seminars for disseminating current information on administration issues.

Director's Conference – The Regional Office acts as the fiscal agent for the annual Superintendents Conference hosted by the Illinois State Board of Education.

University of Illinois at Springfield (UIS) Roundtable – The Regional Office acts as the treasurer for the UIS Roundtable. This organization of Sangamon County school administrators meets quarterly to discuss administrative issues. Membership fees provide food and workshop materials.

Special Education Non-Public Conference – The Regional Office acts as the fiscal agent for the Annual Conference on Best Practices and Guidelines for Non-Public Special Education Programs hosted by the Illinois State Board of Education.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. NET ASSETS

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

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

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

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

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit.

J. INVENTORY

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

K. ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$1,000 or more and estimated useful lives of greater than five years are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

L. CAPITAL ASSETS (Concluded)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

M. COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months can earn up to 20 vacation days for a full year of service. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. Because salaries are grant funded from year to year, all vacation time must be used before the end of the fiscal year. An employee may request that a maximum of five days of unused vacation be carried over to the next fiscal year. The Regional Office did not grant any such requests at June 30, 2008 and 2009, therefore no vacation accruals have been made.

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

N. BUDGET INFORMATION

The Regional Office of Education #51 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. Certain programs within the General Fund and Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: ROE/ISC Operations, Sangamon County Truants Alternative Optional Education Program, Regional Safe Schools, Title I Reading First Part B SEA, Learn and Serve America, and Those Who Excel.

O. CHANGE IN FUND REPORTING

Effective July 1, 2008, the Those Who Excel fund was reclassified from agency fund to the education fund and the Cook County General Education Development was reclassified from the agency fund to the nonmajor special revenue fund.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – CASH

The Regional Office of Education #51 does not have a formal investment policy. The Regional Office of Education #51 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

A. DEPOSITS

At June 30, 2009, the carrying amount of the Regional Office of Education #51's government-wide and Agency fund deposits were \$890,697 and \$88,648, respectively, and the bank balances were \$1,119,941 and \$89,074, respectively. Of the total bank balances as of June 30, 2009, \$259,739 was secured by federal depository insurance and \$945,757 was deposited in repurchase agreements.

CUSTODIAL CREDIT RISK

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

B. INVESTMENTS

The Regional Office of Education #51 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2009, the Regional Office of Education #51 had investments with carrying and fair values of \$3,519 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2009, the Illinois Funds Money Market Fund had a Standard and Poor's AAA rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

CONCENTRATION OF CREDIT RISK

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

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – CASH (Concluded)

INTEREST RATE RISK

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

NOTE 3 - DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #51’s defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #51’s plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #51’s Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 10.79 percent of annual covered payroll. The Regional Office of Education #51 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2008, the Regional Office of Education #51’s annual pension cost of \$48,033 for the Regular plan was equal to the Regional Office of Education #51’s required and actual contributions.

THREE YEAR TREND INFORMATION			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$ 48,033	100%	\$ 0
12/31/07	45,878	100%	0
12/31/06	54,760	100%	0

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

The required contribution was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, 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 11.6% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education #51's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #51's plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 5 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 86.71 percent funded. The actuarial accrued liability for benefits was \$617,206 and the actuarial value of assets was \$535,150, resulting in an underfunded actuarial accrued liability (UAAL) of \$82,056. The covered payroll (annual payroll of active employees covered by the plan) was \$445,167 and the ratio of the UAAL to the covered payroll was 18 percent.

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

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

The Regional Office of Education #51 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2009, was 9.4 percent of creditable earnings. 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, 2008 and 2007. In addition, virtually all members pay a contribution to the Teacher's Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of this retirement plan. The employer THIS Fund Contribution was 0.63 percent during the year ended June 30, 2009, and the member THIS Fund health insurance contribution was 0.84 percent.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #51's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #51. For the year ended June 30, 2009, the State of Illinois contributions were based on 17.08 percent of creditable earnings, and the Regional Office of Education #51 recognized revenue and expenditures of \$61,367 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 13.11 percent (\$103,913) and 9.78 percent (\$71,800) respectively. The state contributions to TRS for the years ended June 30, 2009 and June 30, 2008 were based on an actuarial formula. The state contribution to TRS for the year ended June 30, 2007 was based on a dollar amount specified by the statute and was not actuarially determined.

The Regional Office of Education #51 makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2009 were \$3,101. Contributions for the years ending June 30, 2008, and June 30, 2007, were \$3,500 and \$3,319, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #51, there is a statutory requirement for the Regional Office of Education #51 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 to TRS. For the year ended June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer pension contribution was 13.11 and 9.78 percent of salaries paid from those funds, respectively. For the year ended June 30, 2009, salaries totaling \$175,448 were paid from federal and special trust funds that required employer contributions of \$29,967. For the years ended June 30, 2008 and 2007, required Regional Office of Education #51 contributions were \$32,648 and \$22,101, respectively.
- **Early retirement option.** The Regional Office of Education #51 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 and under which ERO program the member retires.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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

Under Public Act 94-0004, a "Pipeline ERO" program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retired on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO).

Under the Pipeline ERO, the maximum employer contribution was 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2009, the Regional Office of Education #51 paid no employer contributions to TRS under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2008 and June 30 2007, the Regional Office of Education #51 paid no employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS. If the Regional Office of Education #51 grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #51 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increase of up to 6 percent. For the year ended June 30, 2009, the Regional Office of Education #51 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2008 and 2007, the Regional Office of Education #51 paid no employer contributions due on salary increases in excess of 6 percent.

If the Regional Office of Education #51 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Regional Office of Education #51 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 (18.67 percent of salary during the year ended June 30, 2009.) For the year ended June 30, 2009, the Regional Office of Education #51 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2008 and 2007, the Regional Office of Education #51 paid no employer contributions granted for sick leave days.

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, 2008. The report for the year ended June 30, 2009, is expected to be available in late 2009. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, PO Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #51 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2009:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Governmental Activities				
<u>General Fund</u>				
General	\$ 16,098	\$ -	\$ 3,449	\$ 12,649
Local	15,981	-	1,484	14,497
Administrative Discretionary	4,965			4,965
ROE/ISC Operations	4,678	-	-	4,678
<u>Education Fund</u>				
System of Support	7,471	-	-	7,471
Title I-Reading First Part B SEA	9,668	-	-	9,668
Regional Safe Schools	13,608	3,914	-	17,522
Area III - Homeless Liaison Project	2,106	-	-	2,106
Sangamon County TAOEP	1,785	-	-	1,785
Administrative Academy	1,347	-	-	1,347
Office	4,183	-	-	4,183
Scientific Literature	20,585	-	-	20,585
<u>Major Special Revenue Fund</u>				
Institute Fund	2,886	-	-	2,886
<u>Nonmajor Special Revenue Fund</u>				
GED Certificate	2,154	-	-	2,154
GED Holistic Scoring	8,499	-	-	8,499
Governmental Activities				
Total Capital Assets	116,014	3,914	4,933	114,995
Less: Accumulated Depreciation	96,066	6,569	4,933	97,702
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 19,948</u>	<u>\$ (2,655)</u>	<u>\$ -</u>	<u>\$ 17,293</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2009 of \$6,569 was charged to the governmental activities on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 6 - RISK MANAGEMENT

The Regional Office of Education #51 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #51 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 7 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Inter-fund due to/from other fund balances at June 30, 2009 consist of the following individual due to/from other funds in the governmental fund balance sheet. These balances were eliminated in the government-wide Statement of Net Assets.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>General Funds</u>		
ROE/ISC Operations	\$ -	\$ 45,477
Administrative Discretionary	13,137	-
<u>Education Funds</u>		
Regional Safe School	233,559	-
School Directory	-	1,230
Title I – Reading First Part B SEA	-	67,288
Area III – Homeless Liaison Project	-	871
Preschool for All	-	9,475
New Principal Mentoring	-	217
System of Support	-	37,036
<u>Nonmajor Special Revenue Funds</u>		
Cook County General Education Development	-	85,102
	<u>\$ 246,696</u>	<u>\$ 246,696</u>

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2009 consist of the following individual transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 7 – INTERFUND ACTIVITY (Concluded)

TRANSFERS (Concluded)

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund:		
Administrative Discretionary	\$ 140,755	\$ 1,026
Non Major Special Revenue Fund:		
General Education Development Holistic Scoring	20,108	-
Cook County General Education Development	-	95,545
Education Fund:		
Title V - Innovative Program	-	18
Title IV - Community Service	184	-
Preschool For All	-	2,500
Area III - Homeless Liaison Project	842	-
Title I Reading First Part B SEA	-	62,800
	<u>\$ 161,889</u>	<u>\$ 161,889</u>

NOTE 8 – OPERATING LEASE

The ROE leases classroom, office, and laboratory space from the Capital Area Career Center. During fiscal year 2009, the ROE leased the space according to four separate lease agreements with 6,333 square feet, 3,640 square feet, 2,105 square feet, and 580 square feet, all leased at \$7.25 per square foot. The leases all expired on June 30, 2009. Three separate leases were renewed for fiscal year 2010 for 6,333 square feet, 4,040 square feet, and 2,105 square feet, all leased at \$7.35 per square foot. Additionally, the ROE leased office space in Evanston, Illinois for \$2,243.28 per month for fiscal year 2009. The lease was renewed for \$2,243.28 per month for fiscal year 2010. Rent expense for the year ended June 30, 2009 was \$117,385. The ROE also leases a copier and protection plan over a 60-month term ending December, 2012, and a digital imaging system over a 60-month term ending fiscal year ending 2013. Total equipment lease expense for the year ended June 30, 2009 was \$4,320. Future minimum rentals are as follows for the years ending June 30:

2010	\$ 122,951
2011	4,320
2012	4,320
2013	3,222
	<u>\$ 134,813</u>

NOTE 9 – SUBSEQUENT EVENT

Management has evaluated subsequent events through January 29, 2010, the date which the financial statements were available to be issued.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 10 – ON BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #51:

Regional Superintendent Salary	\$ 100,762
Assistant Regional Superintendent Salary	86,907
Regional Superintendent Benefits (Includes State paid insurance)	13,661
Assistant Regional Superintendent Benefits (Includes State paid insurance)	2,037
TRS Pension Contribution	<u>61,367</u>
Total	<u>\$ 264,734</u>

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

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

Sangamon County provides the Regional Office with staff and pay certain expenditures on behalf of the Regional Office. The expenditures paid on the Regional Office of Education #51's behalf for the year ended June 30, 2009, were as follows:

Salaries and benefits	\$ 221,461
Purchased services	23,260
Supplies and materials	<u>4,111</u>
Total	<u>\$ 248,832</u>

These amounts have been recorded in the accompanying financial statements as local revenue and expenditures, with the exception of the capital outlay which has been reported as capital outlay in the governmental fund statements and capitalized in the government-wide financial statements.

NOTE 11 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds (which are presented only in combination on the financial statements). Funds having deficit fund balances/net assets and funds which overexpend appropriations during the year are required to be disclosed.

The following funds/fund accounts had deficit fund balances/net assets at June 30, 2009:

Fund	Amount
<u>Education Fund</u>	
School Directory	\$ 1,230
Area III Homeless Liaison Project	827

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 12 – RESTATEMENT OF NET ASSETS

In the past, the Regional Office recorded a liability associated with compensated absences. At July 1, 2008, the balance of this account was determined to be zero (see Note 1 (M)). The following is the effect of this adjustment on the beginning balance of Net Assets:

<u>Government-Wide – Statement of Activities</u>	<u>Governmental Activities</u>
Net Assets – July 1, 2008	\$ 1,319,984
Effect of prior accrual of compensated absences	<u>5,105</u>
Net Assets, Restated – July 1, 2008	<u>\$ 1,325,089</u>

NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #51’s Agency Fund, General Fund, Education Fund, and Non-major Funds have funds due from/to various other governmental units which consist of the following:

Due from Other Governments:

<u>General Fund</u>	
Local Governments	\$ 16,923
Illinois State Board of Education	45,477
<u>Education Fund</u>	
Local Governments	32,202
Peoria County Regional Office of Education	39,045
Illinois State Board of Education	393,462
<u>Nonmajor Funds</u>	
Local Governments	<u>135,480</u>
Total	<u>\$ 662,589</u>

Due to Other Governments:

<u>Agency Fund</u>	
Local Governments	\$ 88,648
<u>Education Fund</u>	
Illinois State Board of Education	<u>2,727</u>
Total	<u>\$ 91,375</u>

NOTE 14 – CONSOLIDATED ADMINISTRATIVE FUNDS

The Regional Office consolidates the administrative fees received from functioning as the fiscal administrator for various programs into one fund to pay for the Regional Office’s administrative costs associated with these programs. The following are administrative fees consolidated in the Administrative Discretionary fund:

Cook County General Education Development	\$ 75,437
Title I Reading First Part B SEA	62,800
Preschool for All	<u>2,500</u>
Total	<u>\$ 140,737</u>

REQUIRED SUPPLEMENTAL INFORMATION
(Other than Management Discussion and Analysis)

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
(UNAUDITED)
JUNE 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	(2) Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	(3) Funded Ratio (a/b)	(4) Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	535,150	617,206	82,056	86.71%	445,167	18.43%
12/31/07	522,745	514,916	(7,829)	101.52%	436,100	0.00%
12/31/06	437,624	501,808	64,184	87.21%	479,929	13.37%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$443,787.

On a market basis, the funded ratio would be 71.90%.

*** Digest of changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study.

OTHER SUPPLEMENTAL INFORMATION

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2009

	Local	Administrative Discretionary	ROE/ISC Operations	TOTALS
ASSETS				
Cash and cash equivalents	\$ 137,655	\$ 227,941	\$ -	\$ 365,596
Due from other funds	-	13,137	-	13,137
Due from other governments				
Local	677	16,246		16,923
State	-	-	45,477	45,477
TOTAL ASSETS	\$ 138,332	\$ 257,324	\$ 45,477	\$ 441,133
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ 45,477	\$ 45,477
Total Liabilities	-	-	45,477	45,477
FUND BALANCES				
Unreserved	138,332	257,324	-	395,656
Total Fund Balances	138,332	257,324	-	395,656
TOTAL LIABILITIES AND FUND BALANCES	\$ 138,332	\$ 257,324	\$ 45,477	\$ 441,133

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

	Local	Administrative Discretionary	ROE/ISC Operations	TOTALS
REVENUES				
Local sources	\$ 21,040	\$ 40,043	\$ -	\$ 61,083
Local sources - on-behalf payments	248,832	-	-	248,832
State sources	-	-	105,242	105,242
State sources - on-behalf payments	264,734	-	-	264,734
Total Revenues	534,606	40,043	105,242	679,891
EXPENDITURES				
Salaries and benefits	11,819	104,993	67,818	184,630
Purchased services	23,422	41,563	14,194	79,179
Supplies and materials	926	3,550	23,211	27,687
Other objects	-	3,664	-	3,664
On-behalf payments	513,566	-	-	513,566
Total Expenditures	549,733	153,770	105,223	808,726
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,127)	(113,727)	19	(128,835)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	140,755	-	140,755
Transfers out	-	(1,026)	-	(1,026)
Interest	133	1,168	-	1,301
Total Other Financing Sources (Uses)	133	140,897	-	141,030
NET CHANGE IN FUND BALANCES	(14,994)	27,170	19	12,195
FUND BALANCE - BEGINNING	153,326	230,154	(19)	383,461
FUND BALANCE - ENDING	\$ 138,332	\$ 257,324	\$ -	\$ 395,656

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to June 30, 2009)
GENERAL FUND ACCOUNTS
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 102,423	\$ 102,423	\$ 105,242
Total Revenue	<u>102,423</u>	<u>102,423</u>	<u>105,242</u>
EXPENDITURES			
Salaries and benefits	63,482	67,818	67,818
Purchased services	13,356	11,393	14,194
Supplies and materials	25,585	23,212	23,211
Total Expenditures	<u>102,423</u>	<u>102,423</u>	<u>105,223</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>19</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	19
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>(19)</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2009

	Regional Safe Schools	Title V - Innovative Program	School Directory	Kindergarten Learning Standards	Preschool For All	Title I - Reading First Part B SEA
ASSETS						
Cash and cash equivalents	\$ 60,159	\$ -	\$ -	\$ 604	\$ -	\$ -
Due from other funds	233,559	-	-	-	-	-
Due from other governments:						
Local	-	-	-	-	11,996	-
State	142,523	-	-	-	-	67,472
Federal	-	-	-	-	-	-
TOTAL ASSETS	\$ 436,241	\$ -	\$ -	\$ 604	\$ 11,996	\$ 67,472
LIABILITIES						
Accounts payable	\$ 31,260	\$ -	\$ -	\$ -	\$ 2,521	\$ 174
Due to other funds	-	-	1,230	-	9,475	67,288
Due to other governments:						
Federal	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	31,260	-	1,230	-	11,996	67,462
FUND BALANCES						
Unreserved	404,981	-	(1,230)	604	-	10
Total Fund Balances	404,981	-	(1,230)	604	-	10
TOTAL LIABILITIES AND FUND BALANCES	\$ 436,241	\$ -	\$ -	\$ 604	\$ 11,996	\$ 67,472

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2009

	Standards Aligned Classroom	Area III - Homeless Liaison Project	Illinois Student Exchange	Sangamon County Truants Alternative Optional Education Program	Certificate Renewal	Illinois Department of Public Health Dental Sealant
ASSETS						
Cash and cash equivalents	\$ 15,320	\$ -	\$ 7,258	\$ 128,446	\$ 107	\$ 249
Due from other funds	-	-	-	-	-	-
Due from other governments:						
Local	-	-	-	-	-	-
State	-	-	-	100,129	-	-
Federal	-	48	-	-	-	-
TOTAL ASSETS	\$ 15,320	\$ 48	\$ 7,258	\$ 228,575	\$ 107	\$ 249
LIABILITIES						
Accounts payable	\$ -	\$ 4	\$ -	\$ 59,203	\$ -	\$ -
Due to other funds	-	871	-	-	-	-
Due to other governments:						
Federal	-	-	-	-	-	-
Unearned revenue	15,320	-	-	-	-	-
Total Liabilities	15,320	875	-	59,203	-	-
FUND BALANCES						
Unreserved	-	(827)	7,258	169,372	107	249
Total Fund Balances	-	(827)	7,258	169,372	107	249
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,320	\$ 48	\$ 7,258	\$ 228,575	\$ 107	\$ 249

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2009

	Background Checks	Early School Leaver Conference	Early Childhood	State & Federal School Breakfast and Lunch	System of Support
ASSETS					
Cash and cash equivalents	\$ 4,997	\$ 1,414	\$ 4,000	\$ 749	\$ -
Due from other funds	-	-	-	-	-
Due from other governments:					
Local	2,706	-	-	-	-
State	-	-	-	-	-
Federal	-	-	-	663	38,997
TOTAL ASSETS	\$ 7,703	\$ 1,414	\$ 4,000	\$ 1,412	\$ 38,997
LIABILITIES					
Accounts payable	\$ 1,222	\$ -	\$ -	\$ -	\$ 1,843
Due to other funds	-	-	-	-	37,036
Due to other governments:					
Federal	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	1,222	-	-	-	38,879
FUND BALANCES					
Unreserved	6,481	1,414	4,000	1,412	118
Total Fund Balances	6,481	1,414	4,000	1,412	118
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,703	\$ 1,414	\$ 4,000	\$ 1,412	\$ 38,997

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2009

	Sangamon County Learning Academy Lunch	New Principal Mentoring	Title IV - Community Service	Learn & Serve America	State & Community Highway Safety Local Alcohol Prevention
ASSETS					
Cash and cash equivalents	\$ 48	\$ -	\$ -	\$ 12,061	\$ -
Due from other funds	-	-	-	-	-
Due from other governments:					
Local	-	17,500	-	-	-
State	-	-	-	-	-
Federal	-	-	-	-	-
TOTAL ASSETS	\$ 48	\$ 17,500	\$ -	\$ 12,061	\$ -
LIABILITIES					
Accounts payable	\$ -	\$ 10,000	\$ -	\$ 6,877	\$ -
Due to other funds	-	217	-	-	-
Due to other governments:					
Federal	-	-	-	-	-
Unearned revenue	-	-	-	5,146	-
Total Liabilities	-	10,217	-	12,023	-
FUND BALANCES					
Unreserved	48	7,283	-	38	-
Total Fund Balances	48	7,283	-	38	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 48	\$ 17,500	\$ -	\$ 12,061	\$ -

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2009

	Continuum of Learning	ISBE Initiatives	ISBE Special Education Task Force	Those Who Excel	Total
ASSETS					
Cash and cash equivalents	\$ 10,000	\$ 5	\$ -	\$ 18,758	\$ 264,175
Due from other funds	-	-	-	-	233,559
Due from other governments:					
Local	-	-	-	-	32,202
State	-	7,755	74,920	-	392,799
Federal	-	-	-	-	39,708
TOTAL ASSETS	\$ 10,000	\$ 7,760	\$ 74,920	\$ 18,758	\$ 962,443
LIABILITIES					
Accounts payable	\$ -	\$ 7,760	\$ 74,920	\$ -	\$ 195,784
Due to other funds	-	-	-	-	116,117
Due to other governments:					
Federal	-	-	-	2,727	2,727
Unearned revenue	10,000	-	-	-	30,466
Total Liabilities	10,000	7,760	74,920	2,727	345,094
FUND BALANCES					
Unreserved	-	-	-	16,031	617,349
Total Fund Balances	-	-	-	16,031	617,349
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,000	\$ 7,760	\$ 74,920	\$ 18,758	\$ 962,443

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

	Regional Safe Schools	Title V - Innovative Program	School Directory	Kindergarten Learning Standards	Preschool For All	Title I - Reading First Part B SEA
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	414,068	-	-	-	25,500	-
Federal sources	44,761	-	-	-	-	970,077
Total Revenues	458,829	-	-	-	25,500	970,077
EXPENDITURES						
Salaries and benefits	220,948	-	-	-	-	133,309
Purchased services	279,000	-	-	-	20,350	151,771
Supplies and materials	12,000	-	-	-	2,650	622,196
Other objects	-	-	-	-	-	-
Capital outlay	3,914	-	-	-	-	-
Total Expenditures	515,862	-	-	-	23,000	907,276
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(57,033)	-	-	-	2,500	62,801
OTHER FINANCING SOURCES (USES):						
Transfer in	-	-	-	-	-	-
Transfer out	-	(18)	-	-	(2,500)	(62,800)
Interest	2,269	-	-	-	-	-
Total Other Financing Sources (Uses)	2,269	(18)	-	-	(2,500)	(62,800)
NET CHANGE IN FUND BALANCES	(54,764)	(18)	-	-	-	1
FUND BALANCES - BEGINNING	459,745	18	(1,230)	604	-	9
FUND BALANCES - ENDING	\$ 404,981	\$ -	\$ (1,230)	\$ 604	\$ -	\$ 10

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

	Standards Aligned Classroom	Area III - Homeless Liaison Project	Illinois Student Exchange	Sangamon County Truants Alternative Optional Education Program	Certificate Renewal	Illinois Department of Public Health Dental Sealant
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ 3,853	\$ -	\$ -
State sources	-	-	-	485,533	-	-
Federal sources	12,086	52,337	-	70,768	-	3,979
Total Revenues	<u>12,086</u>	<u>52,337</u>	<u>-</u>	<u>560,154</u>	<u>-</u>	<u>3,979</u>
EXPENDITURES						
Salaries and benefits	-	52,537	-	459,701	-	2,863
Purchased services	10,858	642	-	79,452	-	2,393
Supplies and materials	1,291	-	-	18,733	-	-
Other objects	-	-	-	25	-	-
Capital outlay	-	-	-	-	-	-
Total Expenditures	<u>12,149</u>	<u>53,179</u>	<u>-</u>	<u>557,911</u>	<u>-</u>	<u>5,256</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(63)</u>	<u>(842)</u>	<u>-</u>	<u>2,243</u>	<u>-</u>	<u>(1,277)</u>
OTHER FINANCING SOURCES (USES):						
Transfer in	-	842	-	-	-	-
Transfer out	-	-	-	-	-	-
Interest	63	-	-	931	-	-
Total Other Financing Sources (Uses)	<u>63</u>	<u>842</u>	<u>-</u>	<u>931</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,174</u>	<u>-</u>	<u>(1,277)</u>
FUND BALANCES - BEGINNING	<u>-</u>	<u>(827)</u>	<u>7,258</u>	<u>166,198</u>	<u>107</u>	<u>1,526</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ (827)</u>	<u>\$ 7,258</u>	<u>\$ 169,372</u>	<u>\$ 107</u>	<u>\$ 249</u>

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

	Background Checks	Early School Leaver Conference	Early Childhood	State & Federal School Breakfast and Lunch	System of Support
REVENUES					
Local sources	\$ 25,850	\$ -	\$ -	\$ 1,264	\$ -
State sources	-	-	-	2,697	-
Federal sources	-	-	-	10,098	146,807
Total Revenues	25,850	-	-	14,059	146,807
EXPENDITURES					
Salaries and benefits	9,084	-	-	-	125,476
Purchased services	20,476	-	-	14,150	18,096
Supplies and materials	-	-	-	-	2,425
Other objects	-	-	-	-	811
Capital outlay	-	-	-	-	-
Total Expenditures	29,560	-	-	14,150	146,808
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(3,710)	-	-	(91)	(1)
OTHER FINANCING SOURCES (USES):					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Interest	-	-	-	6	-
Total Other Financing Sources (Uses)	-	-	-	6	-
NET CHANGE IN FUND BALANCES					
	(3,710)	-	-	(85)	(1)
FUND BALANCES - BEGINNING					
	10,191	1,414	4,000	1,497	119
FUND BALANCES - ENDING					
	\$ 6,481	\$ 1,414	\$ 4,000	\$ 1,412	\$ 118

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

	Sangamon County Learning Academy Lunch	New Principal Mentoring	Title IV Community Service	Learn & Serve America	State & Community Highway Safety Local Alcohol Prevention
REVENUES					
Local sources	\$ -	\$ 19,250	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	-	-	21,815	722
Total Revenues	<u>-</u>	<u>19,250</u>	<u>-</u>	<u>21,815</u>	<u>722</u>
EXPENDITURES					
Salaries and benefits	-	458	-	3,679	-
Purchased services	-	14,995	-	11,212	723
Supplies and materials	-	144	-	6,931	-
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>15,597</u>	<u>-</u>	<u>21,822</u>	<u>723</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>3,653</u>	<u>-</u>	<u>(7)</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES):					
Transfer in	-	-	184	-	-
Transfer out	-	-	-	-	-
Interest	-	-	-	7	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>184</u>	<u>7</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>3,653</u>	<u>184</u>	<u>-</u>	<u>(1)</u>
FUND BALANCES - BEGINNING	<u>48</u>	<u>3,630</u>	<u>(184)</u>	<u>38</u>	<u>1</u>
FUND BALANCES - ENDING	<u>\$ 48</u>	<u>\$ 7,283</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

	Continuum of Learning	ISBE Initiatives	ISBE Special Education Task Force	Those Who Excel	Total
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 22,014	\$ 72,231
State sources	-	46,905	74,920	-	1,049,623
Federal sources	-	-	-	16,760	1,350,210
Total Revenues	<u>-</u>	<u>46,905</u>	<u>74,920</u>	<u>38,774</u>	<u>2,472,064</u>
EXPENDITURES					
Salaries and benefits	-	-	-	-	1,008,055
Purchased services	-	46,905	74,920	18,566	764,509
Supplies and materials	-	-	-	4,177	670,547
Other objects	-	-	-	-	836
Capital outlay	-	-	-	-	3,914
Total Expenditures	<u>-</u>	<u>46,905</u>	<u>74,920</u>	<u>22,743</u>	<u>2,447,861</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,031</u>	<u>24,203</u>
OTHER FINANCING SOURCES (USES):					
Transfer in	-	-	-	-	1,026
Transfer out	-	-	-	-	(65,318)
Interest	-	-	-	-	3,276
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,016)</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,031</u>	<u>(36,813)</u>
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>654,162</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,031</u>	<u>\$ 617,349</u>

REGIONAL OFFICE OF EDUCATION #51
 SANGAMON COUNTY
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to June 30, 2009)
 EDUCATION FUND ACCOUNTS
 SANGAMON COUNTY TRUANTS ALTERNATIVE OPTIONAL EDUCATION PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ -	\$ -	\$ 3,853
State	270,843	273,551	485,533
Federal	-	-	70,768
Total Revenue	<u>270,843</u>	<u>273,551</u>	<u>560,154</u>
EXPENDITURES			
Salaries and benefits	242,224	242,224	459,701
Purchased services	21,119	21,119	79,452
Supplies and materials	7,500	10,208	18,733
Other objects	-	-	25
Total Expenditures	<u>270,843</u>	<u>273,551</u>	<u>557,911</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>2,243</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	931
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>931</u>
NET CHANGE IN FUND BALANCE			
	-	-	3,174
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>166,198</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,372</u>

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 259,559	\$ 262,659	\$ 414,068
Federal	-	-	44,761
Total Revenue	<u>259,559</u>	<u>262,659</u>	<u>458,829</u>
EXPENDITURES			
Salaries and benefits	180,545	178,205	220,948
Purchased services	68,664	71,864	279,000
Supplies and materials	5,950	8,190	12,000
Capital outlay	4,400	4,400	3,914
Total Expenditures	<u>259,559</u>	<u>262,659</u>	<u>515,862</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(57,033)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	2,269
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,269</u>
NET CHANGE IN FUND BALANCE	-	-	(54,764)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>459,745</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 404,981</u>

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2008 to August 31, 2009)
EDUCATION FUND ACCOUNTS
TITLE I - READING FIRST PART B SEA
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 250,000	\$ 261,695	\$ 970,077
Total Revenue	<u>250,000</u>	<u>261,695</u>	<u>970,077</u>
EXPENDITURES			
Salaries and benefits	102,346	114,461	133,309
Purchased services	90,676	112,526	151,771
Supplies and materials	56,978	34,708	622,196
Total Expenditures	<u>250,000</u>	<u>261,695</u>	<u>907,276</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>62,801</u>
OTHER FINANCING SOURCES (USES):			
Transfer out	-	-	(62,800)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(62,800)</u>
NET CHANGE IN FUND BALANCE	-	-	1
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>9</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
BUDGETARY COMPARISON SCHEDULE
(For the Period of September 1, 2008 to July 31, 2009)
EDUCATION FUND ACCOUNTS
LEARN AND SERVE AMERICA
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 12,000	\$ 20,621	\$ 21,815
Total Revenue	<u>12,000</u>	<u>20,621</u>	<u>21,815</u>
EXPENDITURES			
Salaries and benefits	3,000	4,200	3,679
Purchased services	6,700	10,950	11,212
Supplies and materials	2,300	5,471	6,931
Total Expenditures	<u>12,000</u>	<u>20,621</u>	<u>21,822</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(7)</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>7</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7</u>
NET CHANGE IN FUND BALANCE			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>38</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38</u>

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 30, 2008 to June 30, 2009)
EDUCATION FUND ACCOUNTS
THOSE WHO EXCEL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ -	\$ -	\$ 22,014
Federal	19,487	19,487	16,760
Total Revenue	<u>19,487</u>	<u>19,487</u>	<u>38,774</u>
EXPENDITURES			
Purchased services	10,487	10,487	18,566
Supplies and materials	9,000	9,000	4,177
Total Expenditures	<u>19,487</u>	<u>19,487</u>	<u>22,743</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>16,031</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	16,031
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,031</u>

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	General Education Development Certificate	Bus Driver Training	Supervisory Expenses	General Education Development Holistic Scoring	Cook County General Education Development	TOTALS
ASSETS						
Cash and cash equivalents	\$ 11,955	\$ 4,210	\$ 1,740	\$ 27,486	\$ -	\$ 45,391
Due from other governments - Local	-	-	-	8,175	127,305	135,480
TOTAL ASSETS	\$ 11,955	\$ 4,210	\$ 1,740	\$ 35,661	\$ 127,305	\$ 180,871
LIABILITIES						
Accounts payable	\$ 2,784	\$ -	\$ -	\$ -	\$ 42,203	\$ 44,987
Due to other funds	-	-	-	-	85,102	85,102
Total Liabilities	2,784	-	-	-	127,305	130,089
FUND BALANCES						
Unreserved	9,171	4,210	1,740	35,661	-	50,782
Total Fund Balances	9,171	4,210	1,740	35,661	-	50,782
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,955	\$ 4,210	\$ 1,740	\$ 35,661	\$ 127,305	\$ 180,871

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	General Education Development Certificate	Bus Driver Training	Supervisory Expenses	General Education Development Holistic Scoring	Cook County General Education Development	TOTALS
REVENUES						
Local sources	\$ 21,142	\$ 1,928	\$ -	\$ 29,444	\$ 783,896	\$ 836,410
State sources	-	1,440	1,007	-	-	2,447
Total Revenues	<u>21,142</u>	<u>3,368</u>	<u>1,007</u>	<u>29,444</u>	<u>783,896</u>	<u>838,857</u>
EXPENDITURES						
Salaries and benefits	9,684	-	-	9,083	271,379	290,146
Purchased services	5,366	2,223	911	38,845	292,147	339,492
Supplies and materials	5,050	-	-	-	105,937	110,987
Other objects	-	-	-	-	18,888	18,888
Total Expenditures	<u>20,100</u>	<u>2,223</u>	<u>911</u>	<u>47,928</u>	<u>688,351</u>	<u>759,513</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,042</u>	<u>1,145</u>	<u>96</u>	<u>(18,484)</u>	<u>95,545</u>	<u>79,344</u>
OTHER FINANCING SOURCES (USES)						
Transfer in	-	-	-	20,108	-	20,108
Transfer out	-	-	-	-	(95,545)	(95,545)
Interest	63	-	-	-	-	63
Total Other Financing Sources (Uses)	<u>63</u>	<u>-</u>	<u>-</u>	<u>20,108</u>	<u>(95,545)</u>	<u>(75,374)</u>
NET CHANGE IN FUND BALANCES	1,105	1,145	96	1,624	-	3,970
FUND BALANCES - BEGINNING	<u>8,066</u>	<u>3,065</u>	<u>1,644</u>	<u>34,037</u>	<u>-</u>	<u>46,812</u>
FUND BALANCES - ENDING	<u>\$ 9,171</u>	<u>\$ 4,210</u>	<u>\$ 1,740</u>	<u>\$ 35,661</u>	<u>\$ -</u>	<u>\$ 50,782</u>

REGIONAL OFFICE OF EDUCATION #51
 SANGAMON COUNTY
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2009

	<u>Bilingual Directors Annual Meeting</u>	<u>Illinois Education and Technology Conference</u>	<u>Sangamon County Learning Academy</u>	<u>Sangamon County Schoolmasters</u>
ASSETS				
Cash and cash equivalents	\$ 478	\$ 64,940	\$ 2,829	\$ 4,745
TOTAL ASSETS	<u>\$ 478</u>	<u>\$ 64,940</u>	<u>\$ 2,829</u>	<u>\$ 4,745</u>
LIABILITIES				
Due to other governments	\$ 478	\$ 64,940	\$ 2,829	\$ 4,745
TOTAL LIABILITIES	<u>\$ 478</u>	<u>\$ 64,940</u>	<u>\$ 2,829</u>	<u>\$ 4,745</u>

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2009

	Director's Conference	University of Illinois at Springfield Roundtable	Special Education Non-Public Conference	Total
ASSETS				
Cash and cash equivalents	\$ 8,411	\$ 2,606	\$ 4,639	\$ 88,648
TOTAL ASSETS	\$ 8,411	\$ 2,606	\$ 4,639	\$ 88,648
LIABILITIES				
Due to other governments	\$ 8,411	\$ 2,606	\$ 4,639	\$ 88,648
TOTAL LIABILITIES	\$ 8,411	\$ 2,606	\$ 4,639	\$ 88,648

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>BILINGUAL DIRECTORS ANNUAL MEETING</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 18,760	\$ 18,282	\$ 478
Total Assets	<u>\$ -</u>	<u>\$ 18,760</u>	<u>\$ 18,282</u>	<u>\$ 478</u>
LIABILITIES				
Due to other governments	\$ -	\$ 18,760	\$ 18,282	\$ 478
Total Liabilities	<u>\$ -</u>	<u>\$ 18,760</u>	<u>\$ 18,282</u>	<u>\$ 478</u>
<u>ILLINOIS EDUCATION AND TECHNOLOGY CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 70,061	\$ 130,335	\$ 135,456	\$ 64,940
Total Assets	<u>\$ 70,061</u>	<u>\$ 130,335</u>	<u>\$ 135,456</u>	<u>\$ 64,940</u>
LIABILITIES				
Due to other governments	\$ 70,061	\$ 130,335	\$ 135,456	\$ 64,940
Total Liabilities	<u>\$ 70,061</u>	<u>\$ 130,335</u>	<u>\$ 135,456</u>	<u>\$ 64,940</u>

REGIONAL OFFICE OF EDUCATION #51
 SANGAMON COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>SANGAMON COUNTY SCHOOLMASTERS</u>				
ASSETS				
Cash and cash equivalents	\$ 3,747	\$ 3,821	\$ 2,823	\$ 4,745
Total Assets	<u>\$ 3,747</u>	<u>\$ 3,821</u>	<u>\$ 2,823</u>	<u>\$ 4,745</u>
LIABILITIES				
Due to other governments	\$ 3,747	\$ 3,821	\$ 2,823	\$ 4,745
Total Liabilities	<u>\$ 3,747</u>	<u>\$ 3,821</u>	<u>\$ 2,823</u>	<u>\$ 4,745</u>
<u>DIRECTOR'S CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 7,576	\$ 51,100	\$ 50,265	\$ 8,411
Total Assets	<u>\$ 7,576</u>	<u>\$ 51,100</u>	<u>\$ 50,265</u>	<u>\$ 8,411</u>
LIABILITIES				
Due to other governments	\$ 7,576	\$ 51,100	\$ 50,265	\$ 8,411
Total Liabilities	<u>\$ 7,576</u>	<u>\$ 51,100</u>	<u>\$ 50,265</u>	<u>\$ 8,411</u>

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>UNIVERSITY OF ILLINOIS AT SPRINGFIELD ROUNDTABLE</u>				
ASSETS				
Cash and cash equivalents	\$ 3,116	\$ 7,157	\$ 7,667	\$ 2,606
Total Assets	<u>\$ 3,116</u>	<u>\$ 7,157</u>	<u>\$ 7,667</u>	<u>\$ 2,606</u>
LIABILITIES				
Due to other governments	\$ 3,116	\$ 7,157	\$ 7,667	\$ 2,606
Total Liabilities	<u>\$ 3,116</u>	<u>\$ 7,157</u>	<u>\$ 7,667</u>	<u>\$ 2,606</u>
<u>SPECIAL EDUCATION NON-PUBLIC CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 4,439	\$ 25,010	\$ 24,810	\$ 4,639
Total Assets	<u>\$ 4,439</u>	<u>\$ 25,010</u>	<u>\$ 24,810</u>	<u>\$ 4,639</u>
LIABILITIES				
Due to other governments	\$ 4,439	\$ 25,010	\$ 24,810	\$ 4,639
Total Liabilities	<u>\$ 4,439</u>	<u>\$ 25,010</u>	<u>\$ 24,810</u>	<u>\$ 4,639</u>

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>SANGAMON COUNTY LEARNING</u>				
<u>ACADEMY FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 6,770	\$ 10,960	\$ 14,901	\$ 2,829
Total Assets	<u>\$ 6,770</u>	<u>\$ 10,960</u>	<u>\$ 14,901</u>	<u>\$ 2,829</u>
LIABILITIES				
Due to other governments	\$ 6,770	\$ 10,960	\$ 14,901	\$ 2,829
Total Liabilities	<u>\$ 6,770</u>	<u>\$ 10,960</u>	<u>\$ 14,901</u>	<u>\$ 2,829</u>
 <u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 95,709	\$ 247,143	\$ 254,204	\$ 88,648
Total Assets	<u>\$ 95,709</u>	<u>\$ 247,143</u>	<u>\$ 254,204</u>	<u>\$ 88,648</u>
LIABILITIES				
Due to other governments	\$ 95,709	\$ 247,143	\$ 254,204	\$ 88,648
Total Liabilities	<u>\$ 95,709</u>	<u>\$ 247,143</u>	<u>\$ 254,204</u>	<u>\$ 88,648</u>

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/08-6/30/09</u>
US Department of Education passed through			
Illinois State Board of Education			
Reading First State Grants -			
Title I- Reading First Part B SEA	84.357A	09-4337-00	\$ 232,903
Title I- Reading First Part B SEA	84.357A	09-4337-04	27,300
Title I- Reading First Part B SEA	84.357A	08-4337-00	703,644
Title I- Reading First Part B SEA	84.357A	08-4337-04	6,230
Total Reading First State Grants			<u>970,077 (M)</u>
Learn and Serve America-School and Community Based Programs -			
Learn & Serve America	94.004	09-4910-00	12,836
Learn & Serve America	94.004	08-4910-00	8,979
Total Learn and Serve America-School and Community Based Programs			<u>21,815</u>
Fund for the Improvement of Education -			
Other Federal Programs (Those Who Excel)	84.215U	09-4999-00	16,760
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act -			
ARRA - General State Aid-Sec 18-8 (Sangamon County TAOEP)	84.394A	09-4850-92	62,668
ARRA General State Aid-Sec 18-8 (Regional Safe Schools)	84.394A	09-4850-93	44,761
Total State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act			<u>107,429</u>
Total US Department of Education passed through Illinois State Board of Education			<u>1,116,081</u>
US Department of Transportation passed through			
Illinois Department of Transportation			
Alcohol Impaired Driving Countermeasures Incentive Grants I -			
State & Community Highway Safety Local Alcohol Prevention	20.601	AL8-0084-112	528
State & Community Highway Safety Local Alcohol Prevention	20.601	AL7-0084-022	194
Total US Department of Transportation passed through Illinois Department of Transportation			<u>722</u>
US Department of Agriculture passed through			
Illinois State Board of Education			
School Breakfast Program			
School Breakfast Program	10.553	09-4220-00	2,116
School Breakfast Program	10.553	08-4220-00	404
Total School Breakfast Program			<u>2,520</u>
National School Lunch			
National School Lunch	10.555	09-4210-00	6,472
National School Lunch	10.555	08-4210-00	1,106
Total National School Lunch			<u>7,578</u>
Total US Department of Agriculture passed through Illinois State Board of Education			<u>10,098</u>
US Department of Education passed through Regional Office of Education #26			
Education for Homeless Children and Youth -			
Area III - Homeless Liaison Project	84.196A	09-4920-00	52,337
Passed through Regional Office of Education #48			
Improving Teacher Quality State Grants -			
Standards Aligned Classroom	84.367A	09-4935-00	12,086
Passed through Two Rivers Professional Development Center			
Title I Grants to Local Educational Agencies -			
System of Support (Title I - School Improvement and Accountability)	84.010A	09-4331-01	146,807
Total U.S. Department of Education passed through Other Institutions			<u>211,230</u>

The accompanying notes are an integral part of this schedule.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/08-6/30/09</u>
US Department of Health and Human Services passed through Illinois Department of Public Health			
Maternal and Child Health Services Block Grant to the States - Illinois Department of Public Health Dental Sealant	93.994	83480175	<u>3,979</u>
Title V-Delinquency Prevention Program - DHS Truancy Revenue Bond (Sangamon County TAOEP)	16.548	911GK16500	<u>8,100</u>
Total US Department of Health and Human Services passed through Illinois Department of Public Health			<u>12,079</u>
Total Expenditures of Federal Awards			<u>\$ 1,350,210</u>

(M) Program was audited as a major program.

REGIONAL OFFICE OF EDUCATION #51
SANGAMON COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Regional Office of Education #51 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

The Sangamon County Regional Office of Education #51 did not make any payments to subrecipients.

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAMS

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

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR GUARANTEES OUSTANDING

None