

**State of Illinois
SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2010**

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
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SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51

OFFICIALS

Regional Superintendent
(Current, Acting Effective August 10, 2010)

Mr. Jeff Vose

Regional Superintendent
(During the audit period, Retired June 15, 2010)

Ms. Helen Tolan

Assistant Regional Superintendent
(During the audit period)

Mr. Jeff Vose

Assistant Regional Superintendent
(Current, Acting Effective August 16, 2010)

Ms. Shannon Fehrholz

Office is located at:

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

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
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.

AUDITOR'S REPORTS

The auditor's reports on compliance and on internal controls do not contain scope limitations, disclaimers, or other significant nonstandard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	3	5
Repeated audit findings	2	1
Prior recommendations implemented or not repeated	3	1

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

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

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

10-01	12a	Controls Over Financial Statement Preparation	Material Weakness
10-02	12c	Inadequate Internal Control Procedures	Material Weakness
10-03	12e	Departure from Generally Accepted Accounting Principles	Material Weakness

FINDINGS AND QUESTIONED COSTS (*FEDERAL COMPLIANCE*)

None

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMPLIANCE REPORT SUMMARY

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

09-02	15	Payroll Reporting
09-04	15	Improper Recording of Reimbursements and Administrative Fees Between Programs
09-05	15	Improper Revenue Classifications

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 10, 2010. Attending were Jeff Vose, Regional Superintendent; Mimi Power, Fiscal Manager; and Tami Knight, Partner, Kemper CPA Group, LLP. Responses to the recommendations were provided by Jeff Vose, Regional Superintendent, on December 1, 2010.

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
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 a qualified 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, 2010, 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.

The Regional Office of Education #51 did not recognize and disclose postemployment benefits other than pensions (OPEB) in their financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Disclosure of that information is required to conform with accounting principles generally accepted in the United States of America. The effects of this departure from U.S. generally accepted accounting principles on the financial statements of the Regional Office of Education #51 are not reasonably determinable.

In our opinion, except for the effects of not recognizing a liability for postemployment benefits other than pensions in the Statement of Net Assets and the Statement of Activities as described in the preceding paragraph, 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, 2010, 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 May 9, 2011 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 16f and 55 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
May 9, 2011

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #51, as of and for the year ended June 30, 2010, which collectively comprise the Regional Office of Education #51's basic financial statements and have issued our report thereon dated May 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered 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.

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 10-01, 10-02, and 10-03 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters which we have reported to management of the Regional Office of Education #51 in a separate letter dated May 9, 2011.

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 entity, Illinois State Board of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mattoon, Illinois
May 9, 2011



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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the Sangamon County Regional Office of Education #51's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Sangamon County Regional Office of Education #51's major federal programs for the year ended June 30, 2010. The Sangamon County 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 Sangamon County Regional Office of Education #51's management. Our responsibility is to express an opinion on the Sangamon County 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 Sangamon County 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 Sangamon County Regional Office of Education #51's compliance with those requirements.

In our opinion, the Sangamon County Regional Office of Education #51 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the Sangamon County 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 Sangamon County Regional Office of Education #51's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to

determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Sangamon County Regional Office of Education #51's internal control over compliance.

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

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

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mattoon, Illinois
May 9, 2011

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 JUNE 30, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- 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)? No

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.357A	Title I - Reading First Part B SEA
84.394A & 84.397A	State Fiscal Stabilization Fund (SFSF) Cluster

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

Auditee qualified as a low-risk auditee? No

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 10-01 – Controls Over Financial Statement Preparation (Repeated from Finding 09-01, 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 revenue. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenue, no entries were provided to reconcile the Regional Office of Education #51's grant activity, such as posting grant receivables and deferred revenue.

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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 10-01 – Controls Over Financial Statement Preparation (Repeated from Finding 09-01, 08-01 & 07-01) (Concluded)

Auditor's 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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 10-02 – Inadequate Internal Control Procedures (Partial Repeat from Finding 09-03)

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. Prior year adjusting journal entries were not posted by the Regional Office, which caused certain program's current year fund balance to not roll forward correctly.
- C. We noted an instance where a credit card expenditure was not supported by an original receipt or reconciled to the credit card statement.
- D. There was no supporting documents for and no documented review of the Regional Office's general journal entries prior to posting to the accounting system.

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 or followed existing internal control procedures.

Auditor's Recommendation:

- A. An individual independent of the cash receipts process should reconcile the cash receipts to the receipt book and deposit slip.
- B. In order for the Regional Office's accounting records to accurately reflect its financial position, the Regional Office should record all material audit adjustments provided by the auditors.
- C. All credit card charges should be supported by an original receipt that has been approved by the Regional Superintendent, as well as, reconciled to the credit card statement.
- 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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

**Finding No. 10-02 – Inadequate Internal Control Procedures (Partial Repeat from Finding 09-03)
(Concluded)**

Management's Response:

- A. The Regional Office of Education will implement procedures whereby the employee who reconciles the cash receipts to the receipt book and deposit slip does not collect cash payments.
- B. The Finance Manager will post all audit adjustments provided by the auditors to reconcile with the audited financial statements.
- C. No credit card statements will be authorized for payment without original receipts.
- D. All journal entry transactions will be authorized by the Regional Superintendent before posting to the accounting system.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 10-03 – Departure from Generally Accepted Accounting Principle

Criteria/Specific Requirement:

The Illinois Administrative Code (74 Ill. Adm. 420.320 (c) (1) and (2)) requires that each Regional Office of Education maintain the accounting records necessary to prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (OPEB), requires that employers recognize and disclose OPEB expense. Net OPEB obligations, if any, should be reported as liabilities (or assets if overfunded) in the financial statements. For financial reporting purposes, an actuarial valuation is required to measure and disclose the annual OPEB cost. In certain circumstances, an alternative measurement method can be applied instead of obtaining an actuarial valuation.

Condition:

The Regional Office of Education #51 participates in a defined benefit OPEB plan that provides postemployment benefits other than pensions to its employees in exchange for employee services rendered. Under accrual accounting, the cost of OPEB, and any related OPEB liability, should generally be recorded in the period when the exchange for the employees' services occurs, rather than when the benefits are paid. Currently, the Regional Office of Education #51's OPEB plan is financed on a pay-as-you-go basis, and as such, the financial statements do not report the financial effects of OPEB until the promised benefits are paid. During fiscal year 2010, the Regional Office of Education #51 had 14 active employees, of whom 12 participated in the plan, and contributions to the OPEB plan totaled \$53,199. The Regional Office of Education #51 did not obtain an actuarial valuation of its postemployment benefits other than pension liability, or apply the alternative measurement method in order to be in compliance with GASB Statement No. 45.

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of Regional Office of Education #51 as of June 30, 2010.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

Finding No. 10-03 – Departure from Generally Accepted Accounting Principle (Concluded)

Effect:

Failure to apply the accounting and reporting requirements of GASB Statement No. 45 could result in misstatements of the Regional Office of Education #51 financial statements. This could also result in inaccurate and incomplete disclosure of the OPEB plan description, the funding policy, and the annual OPEB and net OPEB obligation.

Cause:

According to Regional Office management, noncompliance with GASB Statement No. 45 was due to budget restraints and the overall complexity of the pronouncement.

Auditor's Recommendation:

We recommend the Regional Office of Education #51 obtain or perform an actuarial valuation of its other postemployment benefit liability to be in compliance with GASB Statement No. 45 and include all disclosures required by the Statement in its financial statements.

Management's Response:

The Regional Superintendent agrees with the finding.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

SECTION III – FEDERAL AWARD FINDINGS

INSTANCES OF NONCOMPLIANCE:

NONE

SIGNIFICANT DEFICIENCIES:

NONE

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2010

Corrective Action Plan

Finding No. 10-01 – Controls Over Financial Statement Preparation (Repeated from Finding 09-01, 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 revenue. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenue, no entries were provided to reconcile the Regional Office of Education #51's grant activity, such as posting grant receivables and deferred revenue.

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:

Not Applicable

Contact Person Responsible for Corrective Action:

Honorable Jeff Vose, Regional Superintendent of Schools

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2010

Corrective Action Plan (Continued)

Finding No. 10-02 – Inadequate Internal Control Procedures (Partial Repeat from Finding 09-03)

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. Prior year adjusting journal entries were not posted by the Regional Office, which caused certain program's current year fund balance to not roll forward correctly.
- C. We noted an instance where a credit card expenditure was not supported by an original receipt or reconciled to the credit card statement.
- D. There was no supporting documents for and no documented review of the Regional Office's general journal entries prior to posting to the accounting system.

Plan:

- A. An individual independent of the cash receipts process will reconcile the cash receipts to the receipt book and deposit slip.
- B. In order for the Regional Office's accounting records to accurately reflect its financial position, the Regional Office will record all material audit adjustments provided by the auditors.
- C. All credit card charges will be supported by an original receipt that has been approved by the Regional Superintendent, as well as, reconciled to the credit card statement.
- D. All journal entries will be reviewed prior to being posted to the accounting system by an individual independent of the general ledger. This review will be documented on the journal entry's supporting documentation.

Anticipated Date of Completion:

Immediately upon learning

Contact Person Responsible for Corrective Action:

Honorable Jeff Vose, Regional Superintendent of Schools

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2010

Corrective Action Plan (Concluded)

Finding No. 10-03 – Departure from Generally Accepted Accounting Principle

Condition:

The Regional Office of Education #51 participates in a defined benefit OPEB plan that provides postemployment benefits other than pensions to its employees in exchange for employee services rendered. Under accrual accounting, the cost of OPEB, and any related OPEB liability, should generally be recorded in the period when the exchange for the employees' services occurs, rather than when the benefits are paid. Currently, the Regional Office of Education #51's OPEB plan is financed on a pay-as-you-go basis, and as such, the financial statements do not report the financial effects of OPEB until the promised benefits are paid. During fiscal year 2010, the Regional Office of Education #51 had 14 active employees, of whom 12 participated in the plan, and contributions to the OPEB plan totaled \$53,199. The Regional Office of Education #51 did not obtain an actuarial valuation of its postemployment benefits other than pension liability, or apply the alternative measurement method in order to be in compliance with GASB Statement No. 45.

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of Regional Office of Education #51 as of June 30, 2010.

Plan:

The Regional Office of Education #51 will obtain or perform an actuarial valuation of its other postemployment benefit liability to be in compliance with GASB Statement No. 45 and will include all disclosures required by the Statement in its financial statements.

Anticipated Date of Completion:

June 30, 2011

Contact Person Responsible for Corrective Action:

Honorable Jeff Vose, Regional Superintendent of Schools

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
09-01	Controls Over Financial Statement Preparation	Repeated
09-02	Payroll Reporting	Corrected
09-03	Inadequate Internal Control Procedures	Partial Repeat
09-04	Improper Recording of Reimbursements and Administrative Fees Between Programs	Corrected
09-05	Improper Revenue Classifications	Corrected

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

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, 2010. 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 2010 activity, making comparisons of the financial position and results of operations more meaningful.

Financial Highlights

- General Fund revenues increased slightly from \$679,891 in fiscal year 2009 to \$685,892 in fiscal year 2010, while the expenditures increased from \$808,726 in fiscal year 2009 to \$845,098 in fiscal year 2010. The Regional Office experienced a decrease in the General Fund balance from \$395,656 in fiscal year 2009 to \$317,187 in fiscal year 2010 due to a reduction in grant funding for services provided by the Staff Development Center.
- The Education Fund balance decreased from \$617,349 in fiscal year 2009 to \$102,687 in fiscal year 2010 due to an increase in fiscal year 2010 receivables in the Truants Alternative and Optional Education Program, Safe Schools, and Cook County GED grants. Education Fund revenues decreased from \$2,472,064 in 2009 to \$1,679,702 in 2010, and expenditures decreased from \$2,447,861 in 2009 to \$2,170,163 in 2010. These decreases are the result of reductions in grant funding in several programs and the need to defer revenue due to slow payments by the State.

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.

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

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 nonfinancial 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 funds' required financial statements include a Balance Sheet and a Statement of Revenue, Expenditures and Changes in Fund Balances.

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

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Reporting the Agency as a Whole (Concluded)

- 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 2009 totaled \$1,296,386. At the end of fiscal year 2010, the net assets were \$1,256,481. The analysis that follows provides a summary of the Regional Office's net assets at June 30, 2010 and 2009.

**CONDENSED STATEMENT OF NET ASSETS
June 30, 2010 and 2009**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
ASSETS						
Current assets	\$ 1,765,444	\$ 1,552,201	\$ (5,146)	\$ 1,085	\$ 1,760,298	\$ 1,553,286
Capital assets, net of depreciation	<u>13,287</u>	<u>17,293</u>	<u>10,150</u>	<u>-</u>	<u>23,437</u>	<u>17,293</u>
TOTAL ASSETS	<u>\$ 1,778,731</u>	<u>\$ 1,569,494</u>	<u>\$ 5,004</u>	<u>\$ 1,085</u>	<u>\$ 1,783,735</u>	<u>\$ 1,570,579</u>
LIABILITIES						
Current liabilities	<u>\$ 524,754</u>	<u>\$ 273,964</u>	<u>\$ 2,500</u>	<u>\$ 229</u>	<u>\$ 527,254</u>	<u>\$ 274,193</u>
TOTAL LIABILITIES	<u>524,754</u>	<u>273,964</u>	<u>2,500</u>	<u>229</u>	<u>527,254</u>	<u>274,193</u>
NET ASSETS						
Investments in capital assets, net of related debt	13,287	17,293	10,150	-	23,437	17,293
Unrestricted (deficit)	1,034,612	1,063,787	(7,646)	856	1,026,966	1,064,643
Restricted for teacher professional development	<u>206,078</u>	<u>214,450</u>	<u>-</u>	<u>-</u>	<u>206,078</u>	<u>214,450</u>
TOTAL NET ASSETS	<u>\$ 1,253,977</u>	<u>\$ 1,295,530</u>	<u>\$ 2,504</u>	<u>\$ 856</u>	<u>\$ 1,256,481</u>	<u>\$ 1,296,386</u>

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Government-Wide Financial Analysis (Continued)

The Regional Office of Education's net assets decreased by \$39,905 from fiscal year 2009 to fiscal year 2010. The slow payment of State grant funding accounts for the majority of the decrease.

The following analysis shows the changes in net assets for the years ended June 30, 2010 and 2009.

**CHANGES IN NET ASSETS
For the Years Ended June 30, 2010 and 2009**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 77,789	\$ 49,056	\$ 77,789	\$ 49,056
Operating grants & contributions	1,901,485	2,024,659	-	-	1,901,485	2,024,659
General Revenues:						
Transfers in (out)	(316)	-	316	-	-	-
Local sources	894,528	1,009,953	-	-	894,528	1,009,953
State sources	236,391	375,434	-	-	236,391	375,434
Federal sources	99,395	107,429	-	-	99,395	107,429
On-behalf payments	599,482	513,566	-	-	599,482	513,566
Investment income	<u>133</u>	<u>5,728</u>	<u>-</u>	<u>1</u>	<u>133</u>	<u>5,729</u>
Total revenues	<u>3,731,098</u>	<u>4,036,769</u>	<u>78,105</u>	<u>49,057</u>	<u>3,809,203</u>	<u>4,085,826</u>
Expenses:						
Salaries and benefits	1,295,764	1,482,831	40,176	29,185	1,335,940	1,513,016
Purchased services	1,677,456	1,229,753	36,491	14,239	1,713,947	1,243,992
Supplies and materials	163,164	810,221	3,459	504	166,623	810,725
Depreciation	6,353	6,569	1,762	-	8,115	6,569
Other objects	23,951	23,388	1,050	1,475	25,001	24,863
On-behalf payments	<u>599,482</u>	<u>513,566</u>	<u>-</u>	<u>-</u>	<u>599,482</u>	<u>513,566</u>
Total expenses	<u>3,766,170</u>	<u>4,066,328</u>	<u>82,938</u>	<u>45,403</u>	<u>3,849,108</u>	<u>4,111,731</u>
Change in net assets	<u>(35,072)</u>	<u>(29,559)</u>	<u>(4,833)</u>	<u>3,654</u>	<u>(39,905)</u>	<u>(25,905)</u>
Net Assets – beginning, restated	<u>1,289,049</u>	<u>1,325,089</u>	<u>7,337</u>	<u>(2,798)</u>	<u>1,296,386</u>	<u>1,322,291</u>
Net Assets – ending	<u>\$ 1,253,977</u>	<u>\$ 1,295,530</u>	<u>\$ 2,504</u>	<u>\$ 856</u>	<u>\$ 1,256,481</u>	<u>\$ 1,296,386</u>

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Government-Wide Financial Analysis (Continued)

Governmental Activities

Revenues for governmental activities were \$3,731,098 and expenses were \$3,766,170. The decrease in revenues and expenses is due to the reduction in operating grants of the Truants Alternative and Optional Education Program and the Safe Schools Program, along with the end of the Title I Reading First Grant. Interest income likewise decreased due to lower cash balances available for investment and lower interest rates.

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 \$575,520.

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 2009-2010.
- County support for the Regional Office of Education #51 remained level from 2009 to 2010. A vacant position has not been filled, and no increase in County funding is expected for Fiscal Year 2011.
- Although grant funding decreased 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.

Proprietary Fund Highlights

Revenues for the Regional Office of Education #51's business-type activities and expenses combined for a total net asset balance of \$2,504. 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. The Regional Office also continues to provide background checks/fingerprinting services for new hires in the County schools. Expenses in the Background Check fund increased considerably over 2009 due to the purchase of a new fingerprinting machine.

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

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 2010 is \$23,437, which is the total original cost of the capital assets less accumulated depreciation. More detailed information about capital assets is available in Note 8 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 \$6,119 per student for fiscal year 2010, which is payable in fiscal year 2011.
- 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, which provides professional development opportunities to Sangamon County teachers, continues to suffer funding cuts.
- County Board support of the Regional Office of Education #51 will decrease in fiscal year 2011 by approximately 5% to 10% from the County's fiscal year 2010 funding levels.
- 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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 828,366	\$ -	\$ 828,366
Due from (to) other funds	5,146	(5,146)	-
Due from other governments:			
Local	166,374	-	166,374
State	765,558	-	765,558
Total Current Assets	1,765,444	(5,146)	1,760,298
Noncurrent Assets:			
Capital assets, being depreciated, net	13,287	10,150	23,437
Total Noncurrent Assets	13,287	10,150	23,437
TOTAL ASSETS	1,778,731	5,004	1,783,735
LIABILITIES			
Current Liabilities:			
Accounts payable	415,126	2,500	417,626
Deferred revenue	109,628	-	109,628
Total Current Liabilities	524,754	2,500	527,254
NET ASSETS			
Invested in capital assets	13,287	10,150	23,437
Restricted for teacher professional development	206,078	-	206,078
Unrestricted (deficit)	1,034,612	(7,646)	1,026,966
TOTAL NET ASSETS	\$ 1,253,977	\$ 2,504	\$ 1,256,481

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

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	\$ 1,295,764	\$ -	\$ 687,196	\$ (608,568)	\$ -	\$ (608,568)
Purchased services	1,677,456	-	1,121,574	(555,882)	-	(555,882)
Supplies and materials	163,164	-	75,048	(88,116)	-	(88,116)
Other objects	23,951	-	15,320	(8,631)	-	(8,631)
Depreciation expense	6,353	-	-	(6,353)	-	(6,353)
Capital outlay	-	-	2,347	2,347	-	2,347
Administrative:						
On-behalf payments - Local	251,558	-	-	(251,558)	-	(251,558)
On-behalf payments - State	347,924	-	-	(347,924)	-	(347,924)
Total Governmental Activities	<u>3,766,170</u>	<u>-</u>	<u>1,901,485</u>	<u>(1,864,685)</u>	<u>-</u>	<u>(1,864,685)</u>
Business-Type Activities:						
Service fees	82,938	77,789	-	-	(5,149)	(5,149)
Total Business-Type Activities	<u>82,938</u>	<u>77,789</u>	<u>-</u>	<u>-</u>	<u>(5,149)</u>	<u>(5,149)</u>
TOTAL PRIMARY GOVERNMENT	\$ 3,849,108	\$ 77,789	\$ 1,901,485	(1,864,685)	(5,149)	(1,869,834)
GENERAL REVENUES:						
Local sources				894,528	-	894,528
State sources				236,391	-	236,391
Federal sources				99,395	-	99,395
On-behalf payments - Local				251,558	-	251,558
On-behalf payments - State				347,924	-	347,924
Transfers in (out)				(316)	316	-
Investment earnings				133	-	133
Total General Revenues				<u>1,829,613</u>	<u>316</u>	<u>1,829,929</u>
CHANGE IN NET ASSETS				(35,072)	(4,833)	(39,905)
NET ASSETS - BEGINNING, RESTATED				<u>1,289,049</u>	<u>7,337</u>	<u>1,296,386</u>
NET ASSETS - ENDING				<u>\$ 1,253,977</u>	<u>\$ 2,504</u>	<u>\$ 1,256,481</u>

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Institute	Education Fund	Cook County General Education Development	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 144,138	\$ 206,078	\$ 423,314	\$ -	\$ 54,836	\$ -	\$ 828,366
Due from other funds	195,671	-	-	-	-	(190,525)	5,146
Due from other governments:							
Local	13,173	-	38,778	107,000	7,423	-	166,374
State	42,139	-	723,419	-	-	-	765,558
TOTAL ASSETS	\$ 395,121	\$ 206,078	\$ 1,185,511	\$ 107,000	\$ 62,259	\$ (190,525)	\$ 1,765,444
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 395,895	\$ 15,638	\$ 3,593	\$ -	\$ 415,126
Due to other funds	42,492	-	54,953	93,080	-	(190,525)	-
Deferred revenue	35,442	-	631,976	107,000	380	-	774,798
Total Liabilities	77,934	-	1,082,824	215,718	3,973	(190,525)	1,189,924
FUND BALANCE (DEFICIT)							
Unreserved, reported in:							
General fund	317,187	-	-	-	-	-	317,187
Special revenue funds	-	206,078	102,687	(108,718)	58,286	-	258,333
Total Fund Balance	317,187	206,078	102,687	(108,718)	58,286	-	575,520
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 395,121	\$ 206,078	\$ 1,185,511	\$ 107,000	\$ 62,259	\$ (190,525)	\$ 1,765,444

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

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 JUNE 30, 2010

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 575,520

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. 13,287

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

Federal sources	263,823
State sources	284,618
Local sources	<u>116,729</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,253,977

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Institute	Education Fund	Cook County General Education Development	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
REVENUES							
Local sources	\$ 30,608	\$ 53,801	\$ 49,134	\$ 589,682	\$ 54,574	\$ -	\$ 777,799
On-behalf payments - Local	251,558	-	-	-	-	-	251,558
State sources	55,802	-	1,028,993	-	2,460	-	1,087,255
On-behalf payments - State	347,924	-	-	-	-	-	347,924
Federal sources	-	-	601,575	-	-	-	601,575
Total Revenues	685,892	53,801	1,679,702	589,682	57,034	-	3,066,111
EXPENDITURES							
Instructional Services:							
Salaries and benefits	177,526	-	805,271	282,612	30,355	-	1,295,764
Purchased services	64,450	58,718	1,258,592	250,202	45,494	-	1,677,456
Supplies and materials	3,071	3,476	84,250	72,200	167	-	163,164
Other objects	569	-	19,703	3,679	-	-	23,951
On-behalf payments - Local	251,558	-	-	-	-	-	251,558
On-behalf payments - State	347,924	-	-	-	-	-	347,924
Capital outlay	-	-	2,347	-	-	-	2,347
Total Expenditures	845,098	62,194	2,170,163	608,693	76,016	-	3,762,164
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(159,206)	(8,393)	(490,461)	(19,011)	(18,982)	-	(696,053)
OTHER FINANCING SOURCES (USES):							
Transfers in	81,022	-	-	-	27,884	(108,906)	-
Transfers out	(319)	-	(17,795)	(89,709)	(1,399)	108,906	(316)
Interest	34	21	75	2	1	-	133
Total Other Financing Sources (Uses)	80,737	21	(17,720)	(89,707)	26,486	-	(183)
NET CHANGE IN FUND BALANCE	(78,469)	(8,372)	(508,181)	(108,718)	7,504	-	(696,236)
FUND BALANCE - BEGINNING, RESTATED	395,656	214,450	610,868	-	50,782	-	1,271,756
FUND BALANCE (DEFICIT) - ENDING	\$ 317,187	\$ 206,078	\$ 102,687	\$ (108,718)	\$ 58,286	\$ -	\$ 575,520

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

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 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, 2010

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ (696,236)

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	\$ 2,347	
Depreciation expense	<u>(6,353)</u>	(4,006)

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

Federal sources	263,823
State sources	284,618
Local sources	<u>116,729</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (35,072)

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Business-Type Activities - Enterprise Funds	
	Nonmajor Enterprise Funds	Total
	ASSETS	
Capital assets, being depreciated, net	\$ 10,150	\$ 10,150
TOTAL ASSETS	10,150	10,150
LIABILITIES		
Accounts payable	2,500	2,500
Due to other funds	5,146	5,146
TOTAL LIABILITIES	7,646	7,646
NET ASSETS		
Invested in capital assets	10,150	10,150
Unrestricted (deficit)	(7,646)	(7,646)
TOTAL NET ASSETS	\$ 2,504	\$ 2,504

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds	
	Nonmajor Enterprise Funds	Total
	OPERATING REVENUES	
Charges for services	\$ 77,789	\$ 77,789
Total Operating Revenues	77,789	77,789
OPERATING EXPENSES		
Salaries and benefits	40,176	40,176
Purchased services	36,491	36,491
Supplies and materials	3,459	3,459
Other objects	1,050	1,050
Depreciation expense	1,762	1,762
Total Operating Expenses	82,938	82,938
OPERATING INCOME (LOSS)	(5,149)	(5,149)
NONOPERATING REVENUE (EXPENSE)		
Transfers in	316	316
Total Nonoperating Revenue (Expense)	316	316
CHANGE IN NET ASSETS	(4,833)	(4,833)
TOTAL NET ASSETS - BEGINNING, RESTATED	7,337	7,337
TOTAL NET ASSETS - ENDING	\$ 2,504	\$ 2,504

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds	
	Nonmajor Enterprise Funds	Totals
Cash flows from operating activities:		
Receipts from customers	\$ 80,495	\$ 80,495
Payments to suppliers and providers of goods and services	(39,951)	(39,951)
Payments to employees	(40,176)	(40,176)
Net cash provided by operating activities	368	368
Cash flows from noncapital financing activities:		
Cash transfers from other funds	316	316
Receipts from interfund borrowing, net	5,146	5,146
Net cash provided by noncapital financing activities	5,462	5,462
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(11,912)	(11,912)
Net cash used for capital and related financing activities	(11,912)	(11,912)
Net Increase (Decrease) in Cash and Cash Equivalents	(6,082)	(6,082)
Cash and cash equivalents - Beginning	6,082	6,082
Cash and cash equivalents - Ending	\$ -	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$ (5,149)	\$ (5,149)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Decrease in Due from other governments	2,706	2,706
Increase in Accounts payable	1,049	1,049
Depreciation expense	1,762	1,762
Net Cash Provided by (Used for) Operating Activities	\$ 368	\$ 368

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

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 JUNE 30, 2010

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 97,354
TOTAL ASSETS	\$ 97,354
 LIABILITIES	
Due to other governments	\$ 97,354
TOTAL LIABILITIES	\$ 97,354

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In 2010, the Regional Office of Education #51 implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The Regional Office of Education #51 implemented these standards during the current year; however, GASB Statements No. 51, 53, and 58 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 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 the region are properly bonded.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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, 2010, 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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 interfund activities removed. Governmental activities include programs supported primarily by state and federal grants and other intergovernmental revenues. The Regional Office of Education has two business-type activities that rely 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 interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net 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 interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements. All internal balances in the Statement of Net 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.

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 nonmajor funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net 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 nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating 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 nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements.

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 fund 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 revenue 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 the Regional Office of Education #51's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 nonmajor 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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

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.

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.

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

Regional Safe Schools – 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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Education (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.

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

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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Education (Continued)

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.

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.

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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Education (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.

Miscellaneous Federal Programs (Title II – Teacher Quality and Title IV – Safe and Drug Free Schools) – These programs account for the proceeds of a federal grant passed through the Illinois State Board of Education to provide alcohol and drug education and to improve teacher effectiveness in the classroom.

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.

Reading Initiative – This fund provides for consultant support for initiatives necessitated by the ARRA and the No Child Left Behind Act. The consultants: read and evaluate the quality of NCLB and ARRA applications for approval or create review checklist(s) for needed initial application and amendments; provide technical assistance to Illinois schools through written and verbal communication relating to NCLB and ARRA applications; enforce Title I and state accountability requirements and review federal and state fiscal and programmatic documentation to determine implications for schools and districts.

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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

Education (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 nonmajor governmental funds:

Nonmajor 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. Nonmajor 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 – Experienced 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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS

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

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.

Background Checks – The Regional Office of Education provides background checks/fingerprinting to all schools in Sangamon County for new hires. The schools send requests to the Regional Office of Education, 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.

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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS (Concluded)

Agency Funds (Concluded)

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.

H. NET ASSETS

Equity is classified as net assets and 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

The Sangamon County Regional Office of Education #51's cash and cash equivalents are considered to be demand deposits and short-term investments. All interest income is recognized as revenue in the appropriate fund's Statement of Revenues, Expenditures and Changes in Fund Balance.

J. INVENTORY

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

Noncertified 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, 2009 and 2010, 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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 supplementary 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, Area III - Homeless Liaison Project, System of Support, Gifted Education, Miscellaneous Federal Programs (Title IV - Safe and Drug-Free Schools, and Title II - Teacher Quality).

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, 2010, the carrying amount of the Regional Office of Education #51's government-wide and Agency fund deposits were \$828,366 and \$97,354, respectively, and the bank balances were \$1,275,244 and \$145,256, respectively. Of the total bank balances as of June 30, 2010, \$35,922 was secured by federal depository insurance and \$1,384,578 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 Regional Office of Education #51's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #51's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education #51.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 – CASH (Concluded)

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, 2010, the Regional Office of Education #51 had investments with carrying and fair values of \$5,679 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2010, 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.

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.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

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 statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 7.34 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 2009, the Regional Office of Education #51’s annual pension cost of \$36,737 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
12/31/09	\$ 36,737	100%	\$ 0
12/31/08	48,033	100%	0
12/31/07	45,878	100%	0

The required contribution was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post-retirement benefit increases of 3% annually. The actuarial value of the 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 15% 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, 2007, was 5 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 84.41 percent funded. The actuarial accrued liability for benefits was \$721,010 and the actuarial value of assets was \$608,603, resulting in an underfunded actuarial accrued liability (UAAL) of \$112,407. The covered payroll (annual payroll of active employees covered by the plan) was \$500,506 and the ratio of the UAAL to the covered payroll was 22 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short – term volatility in the market value of investments over a five – year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10-year basis.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

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 nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2010, 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, 2009 and 2008.

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, 2010, the State of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #51 recognized revenue and expenditures of \$123,506 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009, and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08 percent (\$61,367) and 13.11 percent (\$103,913) respectively.

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, 2010 were \$2,095. Contributions for the years ending June 30, 2009, and June 30, 2008, were \$3,101 and \$3,500, respectively.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #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 for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. For the year ended June 30, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer pension contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$20,207 were paid from federal and special trust funds that required employer contributions of \$4,724. For the years ended June 30, 2009 and 2008, required Regional Office of Education #51 contributions were \$29,967 and \$32,648, 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.

Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The act increased member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

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

For the year ended June 30, 2010, the Regional Office of Education #51 paid no contributions to the ERO program. For the years ended, June 30, 2009 and June 30, 2008, 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 additional 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, 2010, 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, 2009 and 2008, the Regional Office of Education #51 paid no employer contributions due on salary increases in excess of 6 percent.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

- 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 (18.55 percent of salary during the year ended June 30, 2010.) For the year ended June 30, 2010, 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, 2009 and 2008, 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, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010. 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.

NOTE 5 – TEACHERS' HEALTH INSURANCE SYSTEM

The Regional Office of Education #51 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitant may participate in the State administered participating provider option plan or choose from several managed care options.

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

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

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 5 – TEACHERS’ HEALTH INSURANCE SYSTEM (Concluded)

On-behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$3,034, and the Regional Office of Education #51 recognized revenue and expenditures of this amount during the year.

Had the Regional Office of Education #51 recognized revenue and expenditures for State contributions intended to match active member contributions during the years ended June 30, 2009 and 2008, under the current standards, the contribution match would have been 0.84 percent of pay, or \$4,492 and \$5,069, respectively.

Employer contributions to THIS Fund. The Regional Office of Education #51 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.63 percent during the years ended June 30, 2010, June 30, 2009, and June 30, 2008. For the year ended June 30, 2010, the Regional Office of Education #51 paid \$2,276, to the THIS Fund. For the years ended June 30, 2009 and 2008, the Regional Office paid \$3,369 and \$3,802 to THIS Fund, respectively, which was 100 percent of the required contribution.

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

NOTE 6 – OPERATING LEASES

The ROE leases classroom, office, and laboratory space from the Capital Area Career Center. During fiscal year 2010, the ROE had three separate leases 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 2010. Rent expense for the year ended June 30, 2010, was \$118,633. The ROE also leases a copier and protection plan over a 60-month term ending December 2012 which requires monthly payments of \$183, a digital imaging system over a 60-month term ending June 2013 which requires monthly payments of \$177, a copier over a 12-month term ending June 2010, a postage meter leased month to month, and a postage meter over a 60-month term ending December 2014 which requires monthly payments of \$60. Total equipment lease expense for the year ended June 30, 2010, was \$6,609. Future minimum rentals are as follows for the years ending June 30:

2011	\$	5,040
2012		3,942
2013		2,844
2014		360
2015		-
		\$ 12,186

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7 – 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 8 – 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, 2010:

	<u>Balance</u> <u>07/01/09</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>06/30/10</u>
Governmental Activities				
Capital Assets, Being Depreciated				
Computers and Equipment	\$ 76,773	\$ 2,347	\$ -	\$ 79,120
Other Equipment	38,222	-	-	38,222
Total	<u>114,995</u>	<u>2,347</u>	<u>-</u>	<u>117,342</u>
Less Accumulated Depreciation for:				
Computers and Equipment	(63,220)	(4,529)	-	(67,749)
Other Equipment	(34,482)	(1,824)	-	(36,306)
Total	<u>(97,702)</u>	<u>(6,353)</u>	<u>-</u>	<u>(104,055)</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 17,293</u>	<u>\$ (4,006)</u>	<u>\$ -</u>	<u>\$ 13,287</u>
Business-Type Activities				
Capital Assets, Being Depreciated				
Other equipment	\$ -	\$ 11,912	\$ -	\$ 11,912
Less Accumulated Depreciation for:				
Other equipment	-	(1,762)	-	(1,762)
Business-Type Activities				
Capital Assets, Net	<u>\$ -</u>	<u>\$ 10,150</u>	<u>\$ -</u>	<u>\$ 10,150</u>

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 8 – CAPITAL ASSETS (Concluded)

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2010 of \$6,353 and \$1,762 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 9 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2010, consist of the following individual due to/from other funds in the governmental fund Balance Sheet and proprietary funds Statement of Net Assets. These balances, except for those activities between governmental funds and business-type funds, were eliminated in the government-wide Statement of Net Assets.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>General Funds</u>		
ROE/ISC Operations	\$ -	\$ 42,492
Administrative Discretionary	195,671	-
<u>Education Funds</u>		
School Directory	-	1,230
Title I – Reading First Part B SEA	-	15,776
Area III – Homeless Liaison Project	-	14,182
Preschool for All	-	22,651
State & Federal School Breakfast and Lunch	-	1,114
<u>Special Revenue Funds</u>		
Cook County General Education Development	-	93,080
<u>Proprietary Fund</u>		
Background Checks	-	3,467
SDC Workshop	-	1,679
	<u>\$ 195,671</u>	<u>\$ 195,671</u>

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2010, consist of the following individual transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the proprietary funds Statement of Revenues, Expenses, and Changes in Fund Net Assets. The transfer balances between governmental funds, but not those between governmental funds and business-type funds, were eliminated in the government-wide Statement of Activities.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 – INTERFUND ACTIVITY (Concluded)

TRANSFERS (Concluded)

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund:		
Administrative Discretionary	\$ 81,022	\$ -
Local	-	319
Special Revenue Funds:		
General Education Development	-	1,399
General Education Development Holistic Scoring	27,409	-
Supervisory	475	-
Cook County General Education Development	-	89,709
Proprietary Funds:		
SDC Workshop Fund	270	-
Background Checks	46	-
Education Fund:		
Truant Alternative Optional Education Program	-	363
Regional Safe School	-	5
Reading Initiative	-	4,523
Preschool For All	-	2,568
ISBE Initiatives	-	9,271
Those Who Excel	-	1,000
System Of Support	-	65
	<u>\$ 109,222</u>	<u>\$ 109,222</u>

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 9, 2011, the date which the financial statements were available to be issued.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 11 – ON-BEHALF PAYMENTS

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

Regional Superintendent Salary	\$ 96,564
Assistant Regional Superintendent Salary	90,686
Regional Superintendent Benefits (Includes State-paid insurance)	13,101
Assistant Regional Superintendent Benefits (Includes State paid insurance)	21,033
TRS Pension Contribution	123,506
Teachers' Health Insurance System Contribution	<u>3,034</u>
 Total	 <u>\$ 347,924</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 pays 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, 2010, were as follows:

Salaries and benefits	\$ 235,790
Purchased services	13,257
Supplies and materials	<u>2,511</u>
Total	<u>\$ 251,558</u>

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

NOTE 12 – 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.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 12 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Concluded)

Because some revenues from the State of Illinois will not be collected for several months after the Regional Office’s fiscal year ends, they are not considered “available” revenues and are deferred in the governmental funds. The deferral of the revenues caused deficit fund balances as of June 30, 2010, in the following funds:

<u>Fund</u>	<u>Amount</u>
General Fund	
ROE/ISC Operations	\$ 28,446
Education Fund	
School Directory	1,230
Preschool for All	10,351
Title I - Reading First Part B SEA	261,923
Area III - Homeless Liaison Project	1,654
State & Federal School Breakfast and Lunch	1,114
ISBE Special Education Task Force	51,294
Special Revenue Funds	
Cook County General Education Development	108,718
Proprietary Funds	
SDC Workshop	1,207

NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #51’s General Fund, Education Fund, Special Revenue Funds, and Agency 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	\$ 13,173
Illinois State Board of Education	42,139
<u>Education Fund</u>	
Local Governments	38,778
Illinois State Board of Education	723,419
<u>Special Revenue Funds</u>	
Local Governments	114,423
Total	<u>\$ 931,932</u>

Due to Other Governments:

<u>Agency Funds</u>	
Local Governments	<u>\$ 97,354</u>

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

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	\$ 78,454
Preschool for All	2,568
Total	\$ 81,022

NOTE 15 – RESTATEMENT OF NET ASSETS

The Background Checks fund provides background checks/fingerprinting to all schools in Sangamon County for new hires. The fee for the background check and/or fingerprinting is paid by each school district. In prior years this activity was accounted for as an Education Fund; however, because the activity is exclusively for the benefit of other governmental entities it should be reported as a proprietary fund.

Following is the effect of this adjustment on the beginning balance of Net Assets for Governmental and Business-Type Activities:

Governmental Activities:

Net Assets – July 1, 2009	\$ 1,295,530
Effect of reclassifying the Background Checks fund as an Enterprise Fund	(6,481)
Net Assets, Restated – July 1, 2009	\$ 1,289,049

Business-Type Activities:

Net Assets – July 1, 2009	\$ 856
Effect of reclassifying the Background Checks fund as an Enterprise Fund	6,481
Net Assets, Restated – July 1, 2009	\$ 7,337

Following is the effect of this adjustment on the beginning balance of the fund statements of the Governmental Funds, Education Fund, and Proprietary Funds:

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 – RESTATEMENT OF NET ASSETS (Concluded)

Education Fund:

Fund Balance – July 1, 2009	\$ 617,349
Effect of reclassifying the Background Checks fund as an Enterprise Fund	(6,481)
Fund Balance, Restated – July 1, 2009	<u>\$ 610,868</u>

Governmental Funds:

Total Fund Balances – July 1, 2009	\$1,278,237
Effect of reclassifying the Background Checks fund as an Enterprise Fund	(6,481)
Total Fund Balances, Restated – July 1, 2009	<u>\$1,271,756</u>

Proprietary Funds:

Total Net Assets – July 1, 2009	\$ 856
Effect of reclassifying the Background Checks fund as an Enterprise Fund	6,481
Total Net Assets, Restated – July 1, 2009	<u>\$ 7,337</u>

NOTE 16 – DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The Regional Office of Education #51 did not recognize and disclose a liability for post-employment benefits other than pensions (OPEB) as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in their financial statements. Disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

The Regional Office has continued to account for post-employment benefits other than pensions on a pay-as-you-go basis, and these financial statements therefore exclude a liability for benefits employees have currently earned that will be paid at retirement.

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

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$608,603	\$721,010	\$112,407	84.41%	\$500,506	22.46%
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%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$596,985.

On a market basis, the funded ratio would be 82.80%.

See accompanying Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2010

	Local	Administrative Discretionary	ROE/ISC Operations	TOTALS
ASSETS				
Cash and cash equivalents	\$ 103,422	\$ 40,716	\$ -	\$ 144,138
Due from other funds	-	195,671	-	195,671
Due from other governments				
Local	-	13,173	-	13,173
State	-	-	42,139	42,139
TOTAL ASSETS	\$ 103,422	\$ 249,560	\$ 42,139	\$ 395,121
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ 42,492	\$ 42,492
Deferred revenue	-	7,349	28,093	35,442
Total Liabilities	-	7,349	70,585	77,934
FUND BALANCE (DEFICIT)				
Unreserved	103,422	242,211	(28,446)	317,187
Total Fund Balance (Deficit)	103,422	242,211	(28,446)	317,187
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 103,422	\$ 249,560	\$ 42,139	\$ 395,121

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	Local	Administrative Discretionary	ROE/ISC Operations	TOTALS
REVENUES				
Local sources	\$ 922	\$ 29,686	\$ -	\$ 30,608
On-behalf payments - Local	251,558	-	-	251,558
State sources	3,500	-	52,302	55,802
On-behalf payments - State	347,924	-	-	347,924
Total Revenues	<u>603,904</u>	<u>29,686</u>	<u>52,302</u>	<u>685,892</u>
EXPENDITURES				
Salaries and benefits	28,165	98,516	50,845	177,526
Purchased services	10,854	24,359	29,237	64,450
Supplies and materials	5	2,400	666	3,071
Other objects	-	569	-	569
On-behalf payments - Local	251,558	-	-	251,558
On-behalf payments - State	347,924	-	-	347,924
Total Expenditures	<u>638,506</u>	<u>125,844</u>	<u>80,748</u>	<u>845,098</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(34,602)</u>	<u>(96,158)</u>	<u>(28,446)</u>	<u>(159,206)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	81,022	-	81,022
Transfers out	(319)	-	-	(319)
Interest	11	23	-	34
Total Other Financing Sources (Uses)	<u>(308)</u>	<u>81,045</u>	<u>-</u>	<u>80,737</u>
NET CHANGE IN FUND BALANCE	<u>(34,910)</u>	<u>(15,113)</u>	<u>(28,446)</u>	<u>(78,469)</u>
FUND BALANCE - BEGINNING	<u>138,332</u>	<u>257,324</u>	<u>-</u>	<u>395,656</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 103,422</u>	<u>\$ 242,211</u>	<u>\$ (28,446)</u>	<u>\$ 317,187</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009, to June 30, 2010)
GENERAL FUND ACCOUNT
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 80,284	\$ 80,284	\$ 52,302
Total Revenue	<u>80,284</u>	<u>80,284</u>	<u>52,302</u>
EXPENDITURES			
Salaries and benefits	51,121	51,121	50,845
Purchased services	28,663	28,663	29,237
Supplies and materials	500	500	666
Total Expenditures	<u>80,284</u>	<u>80,284</u>	<u>80,748</u>
NET CHANGE IN FUND BALANCE	-	-	(28,446)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,446)</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2010

	Regional Safe Schools	School Directory	Kindergarten Learning Standards	Preschool For All	Title I - Reading First Part B SEA	Standards Aligned Classrom
ASSETS						
Cash and cash equivalents	\$ 257,807	\$ -	\$ 604	\$ -	\$ -	\$ -
Due from other governments:						
Local	-	-	-	23,500	-	-
State	160,768	-	-	-	261,923	-
TOTAL ASSETS	\$ 418,575	\$ -	\$ 604	\$ 23,500	\$ 261,923	\$ -
LIABILITIES						
Accounts payable	\$ 25,948	\$ -	\$ -	\$ 849	\$ 246,147	\$ -
Due to other funds	-	1,230	-	22,651	15,776	-
Deferred revenue	105,351	-	-	10,351	261,923	-
Total Liabilities	131,299	1,230	-	33,851	523,846	-
FUND BALANCE (DEFICIT)						
Unreserved	287,276	(1,230)	604	(10,351)	(261,923)	-
Total Fund Balance (Deficit)	287,276	(1,230)	604	(10,351)	(261,923)	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 418,575	\$ -	\$ 604	\$ 23,500	\$ 261,923	\$ -

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2010

	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	\$ -	\$ 7,258	\$ 9,863	\$ 107	\$ 383
Due from other governments:					
Local	12,528	-	-	-	-
State	-	-	248,096	-	-
TOTAL ASSETS	\$ 12,528	\$ 7,258	\$ 257,959	\$ 107	\$ 383
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 54,393	\$ -	\$ -
Due to other funds	14,182	-	-	-	-
Deferred revenue	-	-	91,429	-	383
Total Liabilities	14,182	-	145,822	-	383
FUND BALANCE (DEFICIT)					
Unreserved	(1,654)	7,258	112,137	107	-
Total Fund Balance (Deficit)	(1,654)	7,258	112,137	107	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 12,528	\$ 7,258	\$ 257,959	\$ 107	\$ 383

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2010

	Early School Leaver Conference	Early Childhood	State & Federal School Breakfast and Lunch	System of Support	Sangamon County Learning Academy Lunch	New Principal Mentoring
ASSETS						
Cash and cash equivalents	\$ 1,414	\$ 4,000	\$ -	\$ 48,102	\$ 48	\$ 4,515
Due from other governments:						
Local	-	-	-	-	-	2,750
State	-	-	-	-	-	-
TOTAL ASSETS	\$ 1,414	\$ 4,000	\$ -	\$ 48,102	\$ 48	\$ 7,265
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	1,114	-	-	-
Deferred revenue	-	-	-	48,102	-	2,000
Total Liabilities	-	-	1,114	48,102	-	2,000
FUND BALANCE (DEFICIT)						
Unreserved	1,414	4,000	(1,114)	-	48	5,265
Total Fund Balance (Deficit)	1,414	4,000	(1,114)	-	48	5,265
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 1,414	\$ 4,000	\$ -	\$ 48,102	\$ 48	\$ 7,265

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2010

	Miscellaneous Federal Programs	Learn & Serve America	Continuum of Learning	ISBE Initiatives
ASSETS				
Cash and cash equivalents	\$ 52	\$ 3,914	\$ 5,268	\$ 10,739
Due from other governments:				
Local	-	-	-	-
State	-	-	-	1,338
TOTAL ASSETS	\$ 52	\$ 3,914	\$ 5,268	\$ 12,077
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 520	\$ 12,077
Due to other funds	-	-	-	-
Deferred revenue	52	3,914	4,748	-
Total Liabilities	52	3,914	5,268	12,077
FUND BALANCE (DEFICIT)				
Unreserved	-	-	-	-
Total Fund Balance (Deficit)	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 52	\$ 3,914	\$ 5,268	\$ 12,077

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2010

	ISBE Special Education Task Force	Those Who Excel	Reading Initiative	Gifted Education	TOTALS
ASSETS					
Cash and cash equivalents	\$ -	\$ 12,144	\$ 2,157	\$ 54,939	\$ 423,314
Due from other governments:					
Local	-	-	-	-	38,778
State	51,294	-	-	-	723,419
TOTAL ASSETS	\$ 51,294	\$ 12,144	\$ 2,157	\$ 54,939	\$ 1,185,511
LIABILITIES					
Accounts payable	\$ 51,294	\$ -	\$ -	\$ 4,667	\$ 395,895
Due to other funds	-	-	-	-	54,953
Deferred revenue	51,294	-	2,157	50,272	631,976
Total Liabilities	102,588	-	2,157	54,939	1,082,824
FUND BALANCE (DEFICIT)					
Unreserved	(51,294)	12,144	-	-	102,687
Total Fund Balance (Deficit)	(51,294)	12,144	-	-	102,687
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 51,294	\$ 12,144	\$ 2,157	\$ 54,939	\$ 1,185,511

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	Regional Safe Schools	School Directory	Kindergarten Learning Standards	Preschool For All	Title I - Reading First Part B SEA
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	346,028	-	-	15,149	-
Federal sources	46,783	-	-	-	318,547
Total Revenues	<u>392,811</u>	<u>-</u>	<u>-</u>	<u>15,149</u>	<u>318,547</u>
EXPENDITURES					
Salaries and benefits	218,917	-	-	-	30,599
Purchased services	279,605	-	-	20,718	537,100
Supplies and materials	9,688	-	-	2,214	12,782
Other objects	-	-	-	-	-
Capital outlay	2,347	-	-	-	-
Total Expenditures	<u>510,557</u>	<u>-</u>	<u>-</u>	<u>22,932</u>	<u>580,481</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(117,746)</u>	<u>-</u>	<u>-</u>	<u>(7,783)</u>	<u>(261,934)</u>
OTHER FINANCING SOURCES (USES):					
Transfer out	(5)	-	-	(2,568)	-
Interest	46	-	-	-	1
Total Other Financing Sources (Uses)	<u>41</u>	<u>-</u>	<u>-</u>	<u>(2,568)</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>(117,705)</u>	<u>-</u>	<u>-</u>	<u>(10,351)</u>	<u>(261,933)</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>404,981</u>	<u>(1,230)</u>	<u>604</u>	<u>-</u>	<u>10</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 287,276</u>	<u>\$ (1,230)</u>	<u>\$ 604</u>	<u>\$ (10,351)</u>	<u>\$ (261,923)</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	Standards Aligned Classroom	Area III - Homeless Liaison Project	Illinois Student Exchange	Sangamon County Truants Alternative Optional Education Program	Certificate Renewal
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 3,413	\$ -
State sources	-	-	-	393,422	-
Federal sources	15,320	53,281	-	62,612	-
Total Revenues	<u>15,320</u>	<u>53,281</u>	<u>-</u>	<u>459,447</u>	<u>-</u>
EXPENDITURES					
Salaries and benefits	-	53,194	-	409,838	-
Purchased services	-	870	-	80,014	-
Supplies and materials	-	44	-	26,187	-
Other objects	15,320	-	-	300	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>15,320</u>	<u>54,108</u>	<u>-</u>	<u>516,339</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(827)</u>	<u>-</u>	<u>(56,892)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfer out	-	-	-	(363)	-
Interest	-	-	-	20	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(343)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(827)</u>	<u>-</u>	<u>(57,235)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>(827)</u>	<u>7,258</u>	<u>169,372</u>	<u>107</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ (1,654)</u>	<u>\$ 7,258</u>	<u>\$ 112,137</u>	<u>\$ 107</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	Illinois Department of Public Health Dental Sealant	Early School Leaver Conference	Early Childhood	State & Federal School Breakfast and Lunch	System of Support
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 3,486	\$ -
State sources	-	-	-	661	-
Federal sources	5,792	-	-	14,860	71,054
Total Revenues	<u>5,792</u>	<u>-</u>	<u>-</u>	<u>19,007</u>	<u>71,054</u>
EXPENDITURES					
Salaries and benefits	3,499	-	-	-	64,864
Purchased services	2,542	-	-	21,533	5,034
Supplies and materials	-	-	-	-	1,210
Other objects	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>6,041</u>	<u>-</u>	<u>-</u>	<u>21,533</u>	<u>71,108</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(249)</u>	<u>-</u>	<u>-</u>	<u>(2,526)</u>	<u>(54)</u>
OTHER FINANCING SOURCES (USES):					
Transfer out	-	-	-	-	(65)
Interest	-	-	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(64)</u>
NET CHANGE IN FUND BALANCE	<u>(249)</u>	<u>-</u>	<u>-</u>	<u>(2,526)</u>	<u>(118)</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>249</u>	<u>1,414</u>	<u>4,000</u>	<u>1,412</u>	<u>118</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ 1,414</u>	<u>\$ 4,000</u>	<u>\$ (1,114)</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	Sangamon County Learning Academy Lunch	New Principal Mentoring	Miscellaneous Federal Programs	Learn & Serve America	Continuum of Learning
REVENUES					
Local sources	\$ -	\$ 750	\$ -	\$ -	\$ 17,252
State sources	-	-	-	-	-
Federal sources	-	-	1,468	11,858	-
Total Revenues	<u>-</u>	<u>750</u>	<u>1,468</u>	<u>11,858</u>	<u>17,252</u>
EXPENDITURES					
Salaries and benefits	-	229	-	3,643	520
Purchased services	-	2,014	269	4,150	9,134
Supplies and materials	-	255	1,199	4,103	7,598
Other objects	-	270	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>2,768</u>	<u>1,468</u>	<u>11,896</u>	<u>17,252</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(2,018)</u>	<u>-</u>	<u>(38)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfer out	-	-	-	-	-
Interest	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(2,018)</u>	<u>-</u>	<u>(38)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>48</u>	<u>7,283</u>	<u>-</u>	<u>38</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 48</u>	<u>\$ 5,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

	ISBE Initiatives	ISBE Special Education Task Force	Those Who Excel	Reading Initiative	Gifted Education	TOTALS
REVENUES						
Local sources	\$ -	\$ -	\$ 24,233	\$ -	\$ -	\$ 49,134
State sources	134,937	14,984	-	74,843	48,969	1,028,993
Federal sources	-	-	-	-	-	601,575
Total Revenues	<u>134,937</u>	<u>14,984</u>	<u>24,233</u>	<u>74,843</u>	<u>48,969</u>	<u>1,679,702</u>
EXPENDITURES						
Salaries and benefits	-	-	-	-	19,968	805,271
Purchased services	125,666	66,278	20,166	70,320	13,179	1,258,592
Supplies and materials	-	-	3,141	-	15,829	84,250
Other objects	-	-	3,813	-	-	19,703
Capital outlay	-	-	-	-	-	2,347
Total Expenditures	<u>125,666</u>	<u>66,278</u>	<u>27,120</u>	<u>70,320</u>	<u>48,976</u>	<u>2,170,163</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>9,271</u>	<u>(51,294)</u>	<u>(2,887)</u>	<u>4,523</u>	<u>(7)</u>	<u>(490,461)</u>
OTHER FINANCING SOURCES (USES):						
Transfer out	(9,271)	-	(1,000)	(4,523)	-	(17,795)
Interest	-	-	-	-	7	75
Total Other Financing Sources (Uses)	<u>(9,271)</u>	<u>-</u>	<u>(1,000)</u>	<u>(4,523)</u>	<u>7</u>	<u>(17,720)</u>
NET CHANGE IN FUND BALANCE	-	(51,294)	(3,887)	-	-	(508,181)
FUND BALANCE (DEFICIT) - BEGINNING	-	-	16,031	-	-	610,868
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ (51,294)</u>	<u>\$ 12,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,687</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009, to June 30, 2010)
 EDUCATION FUND ACCOUNT

SANGAMON COUNTY TRUANTS ALTERNATIVE OPTIONAL EDUCATION PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
Local	\$ -	\$ -	\$ 3,413
State	273,551	246,196	393,422
Federal	-	-	62,612
Total Revenue	<u>273,551</u>	<u>246,196</u>	<u>459,447</u>
EXPENDITURES			
Salaries and benefits	239,542	198,881	409,838
Purchased services	25,644	22,864	80,014
Supplies and materials	7,212	21,298	26,187
Other objects	1,153	3,153	300
Total Expenditures	<u>273,551</u>	<u>246,196</u>	<u>516,339</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(56,892)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	-	-	(363)
Interest	-	-	20
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(343)</u>
NET CHANGE IN FUND BALANCE			
	-	-	(57,235)
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>169,372</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,137</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009, to June 30, 2010)
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 262,659	\$ 240,858	\$ 346,028
Federal	-	-	46,783
Total Revenue	<u>262,659</u>	<u>240,858</u>	<u>392,811</u>
EXPENDITURES			
Salaries and benefits	183,545	171,545	218,917
Purchased services	68,364	62,364	279,605
Supplies and materials	6,750	3,849	9,688
Capital outlay	4,000	2,000	2,347
Payments to other governments	-	1,100	-
Total Expenditures	<u>262,659</u>	<u>240,858</u>	<u>510,557</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(117,746)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	-	-	(5)
Interest	-	-	46
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>41</u>
NET CHANGE IN FUND BALANCE	-	-	(117,705)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>404,981</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,276</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
(For the Period of March 30, 2010, to August 31, 2010)
EDUCATION FUND ACCOUNT
TITLE I - READING FIRST PART B SEA
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 530,949	\$ 654,851	\$ 318,547
Total Revenue	<u>530,949</u>	<u>654,851</u>	<u>318,547</u>
EXPENDITURES			
Salaries and benefits	13,231	13,231	30,599
Purchased services	502,678	611,212	537,100
Supplies and materials	6,584	16,816	12,782
Payments to other governments	-	4,704	-
Capital outlay	3,752	8,888	-
Other objects	4,704	-	-
Total Expenditures	<u>530,949</u>	<u>654,851</u>	<u>580,481</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(261,934)</u>
OTHER FINANCING SOURCES (USES):			
Transfer out	-	-	-
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(261,933)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>10</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (261,923)</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009, to June 30, 2010)
EDUCATION FUND ACCOUNT
LEARN AND SERVE AMERICA
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 10,000	\$ 12,500	\$ 11,858
Total Revenue	<u>10,000</u>	<u>12,500</u>	<u>11,858</u>
EXPENDITURES			
Salaries and benefits	3,000	5,250	3,643
Purchased services	5,200	5,200	4,150
Supplies and materials	1,800	2,050	4,103
Total Expenditures	<u>10,000</u>	<u>12,500</u>	<u>11,896</u>
NET CHANGE IN FUND BALANCE	-	-	(38)
FUND BALANCE - BEGINNING	-	-	<u>38</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009, to June 30, 2010)
 EDUCATION FUND ACCOUNT
 AREA III - HOMELESS LIAISON PROJECT
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 53,837	\$ 56,077	\$ 53,281
Total Revenue	<u>53,837</u>	<u>56,077</u>	<u>53,281</u>
EXPENDITURES			
Salaries and benefits	53,337	53,383	53,194
Purchased services	500	2,694	870
Supplies and materials	-	-	44
Total Expenditures	<u>53,837</u>	<u>56,077</u>	<u>54,108</u>
NET CHANGE IN FUND BALANCE	-	-	(827)
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(827)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,654)</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009, to August 31, 2010)
EDUCATION FUND ACCOUNT
SYSTEM OF SUPPORT
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 107,550	\$ 107,550	\$ 71,054
Total Revenue	<u>107,550</u>	<u>107,550</u>	<u>71,054</u>
EXPENDITURES			
Salaries and benefits	102,500	102,500	64,864
Purchased services	-	-	5,034
Supplies and materials	5,050	5,050	1,210
Total Expenditures	<u>107,550</u>	<u>107,550</u>	<u>71,108</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(54)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	-	-	(65)
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(64)</u>
NET CHANGE IN FUND BALANCE	-	-	(118)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>118</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
(For the Period of May 22, 2009, to August 31, 2010)
EDUCATION FUND ACCOUNT
GIFTED EDUCATION
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 99,241	\$ 99,241	\$ 48,969
Total Revenue	<u>99,241</u>	<u>99,241</u>	<u>48,969</u>
EXPENDITURES			
Salaries and benefits	31,620	31,620	19,968
Purchased services	45,486	45,486	13,179
Supplies and materials	22,135	22,135	15,829
Total Expenditures	<u>99,241</u>	<u>99,241</u>	<u>48,976</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(7)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	7
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7</u>
NET CHANGE IN FUND BALANCE			
	-	-	-
FUND BALANCE - BEGINNING			
	-	-	-
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2009, to June 30, 2010)
 EDUCATION FUND ACCOUNT
 MISCELLANEOUS FEDERAL PROGRAMS
 (TITLE IV - SAFE AND DRUG-FREE SCHOOLS)
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 209	\$ 209	\$ 164
Total Revenue	<u>209</u>	<u>209</u>	<u>164</u>
EXPENDITURES			
Supplies and materials	209	209	164
Total Expenditures	<u>209</u>	<u>209</u>	<u>164</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009, to June 30, 2010)
EDUCATION FUND ACCOUNT
MISCELLANEOUS FEDERAL PROGRAMS
(TITLE II - TEACHER QUALITY)
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 1,311	\$ 1,311	\$ 1,304
Total Revenue	<u>1,311</u>	<u>1,311</u>	<u>1,304</u>
EXPENDITURES			
Purchased services	311	311	269
Supplies and materials	1,000	1,000	1,035
Total Expenditures	<u>1,311</u>	<u>1,311</u>	<u>1,304</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	General Education Development Certificate	Bus Driver Training	Supervisory Expenses	General Education Development Holistic Scoring	TOTALS
ASSETS					
Cash and cash equivalents	\$ 14,011	\$ 6,330	\$ 1,992	\$ 32,503	\$ 54,836
Due from other governments - Local	-	-	-	7,423	7,423
TOTAL ASSETS	\$ 14,011	\$ 6,330	\$ 1,992	\$ 39,926	\$ 62,259
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	3,593	\$ 3,593
Unearned revenue	-	-	-	380	380
Total Liabilities	-	-	-	3,973	3,973
FUND BALANCE					
Unreserved	14,011	6,330	1,992	35,953	58,286
Total Fund Balance	14,011	6,330	1,992	35,953	58,286
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,011	\$ 6,330	\$ 1,992	\$ 39,926	\$ 62,259

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Education Development Certificate	Bus Driver Training	Supervisory Expenses	General Education Development Holistic Scoring	TOTALS
REVENUES					
Local sources	\$ 24,186	\$ 2,054	\$ -	\$ 28,334	\$ 54,574
State sources	-	1,440	1,020	-	2,460
Total Revenues	<u>24,186</u>	<u>3,494</u>	<u>1,020</u>	<u>28,334</u>	<u>57,034</u>
EXPENDITURES					
Salaries and benefits	11,319	-	-	19,036	30,355
Purchased services	6,462	1,374	1,243	36,415	45,494
Supplies and materials	167	-	-	-	167
Total Expenditures	<u>17,948</u>	<u>1,374</u>	<u>1,243</u>	<u>55,451</u>	<u>76,016</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,238</u>	<u>2,120</u>	<u>(223)</u>	<u>(27,117)</u>	<u>(18,982)</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	475	27,409	27,884
Transfer out	(1,399)	-	-	-	(1,399)
Interest	1	-	-	-	1
Total Other Financing Sources (Uses)	<u>(1,398)</u>	<u>-</u>	<u>475</u>	<u>27,409</u>	<u>26,486</u>
NET CHANGE IN FUND BALANCE	4,840	2,120	252	292	7,504
FUND BALANCE - BEGINNING	<u>9,171</u>	<u>4,210</u>	<u>1,740</u>	<u>35,661</u>	<u>50,782</u>
FUND BALANCE - ENDING	<u>\$ 14,011</u>	<u>\$ 6,330</u>	<u>\$ 1,992</u>	<u>\$ 35,953</u>	<u>\$ 58,286</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2010

	Business-Type Activities - Enterprise Funds		TOTALS
	SDC Workshop	Background Checks	
ASSETS			
Noncurrent assets:			
Capital assets, being depreciated, net	\$ 2,972	\$ 7,178	\$ 10,150
TOTAL ASSETS	2,972	7,178	10,150
LIABILITIES			
Accounts payable	2,500	-	2,500
Due to other funds	1,679	3,467	5,146
Total Current Liabilities	4,179	3,467	7,646
TOTAL LIABILITIES	4,179	3,467	7,646
NET ASSETS (DEFICIT)			
Invested in capital assets	2,972	7,178	10,150
Unrestricted (deficit)	(4,179)	(3,467)	(7,646)
TOTAL NET ASSETS (DEFICIT)	\$ (1,207)	\$ 3,711	\$ 2,504

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds		TOTALS
	SDC Workshop	Background Checks	
OPERATING REVENUES			
Charges for services	\$ 56,207	\$ 21,582	\$ 77,789
Total Operating Revenues	<u>56,207</u>	<u>21,582</u>	<u>77,789</u>
OPERATING EXPENSES			
Salaries and benefits	36,859	3,317	40,176
Purchased services	16,845	19,646	36,491
Supplies and materials	3,459	-	3,459
Other objects	1,050	-	1,050
Depreciation expense	327	1,435	1,762
Total Operating Expenses	<u>58,540</u>	<u>24,398</u>	<u>82,938</u>
OPERATING INCOME (LOSS)	<u>(2,333)</u>	<u>(2,816)</u>	<u>(5,149)</u>
NONOPERATING REVENUE (EXPENSE)			
Transfers in	270	46	316
Total Nonoperating Revenue (Expense)	<u>270</u>	<u>46</u>	<u>316</u>
CHANGE IN NET ASSETS	(2,063)	(2,770)	(4,833)
NET ASSETS - BEGINNING	<u>856</u>	<u>6,481</u>	<u>7,337</u>
NET ASSETS (DEFICIT) - ENDING	<u>\$ (1,207)</u>	<u>\$ 3,711</u>	<u>\$ 2,504</u>

See accompanying Independent Auditor's Report

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds		TOTALS
	SDC	Background	
	Workshop Fund	Checks	
Cash flows from operating activities:			
Receipts from customers	\$ 56,207	\$ 24,288	\$ 80,495
Payments to suppliers and providers of goods and services	(19,083)	(20,868)	(39,951)
Payments to employees	(36,859)	(3,317)	(40,176)
Net cash provided by operating activities	<u>265</u>	<u>103</u>	<u>368</u>
Cash flows from noncapital financing activities:			
Cash transfers from other funds	270	46	316
Receipts from interfund borrowing, net	1,679	3,467	5,146
Net cash provided by noncapital financing activities	<u>1,949</u>	<u>3,513</u>	<u>5,462</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(3,299)	(8,613)	(11,912)
Net cash used for capital and related financing activities	<u>(3,299)</u>	<u>(8,613)</u>	<u>(11,912)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,085)	(4,997)	(6,082)
Cash and cash equivalents - Beginning	1,085	4,997	6,082
Cash and cash equivalents - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (2,333)	\$ (2,816)	\$ (5,149)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Decrease in Due from other governments	-	2,706	2,706
Increase (Decrease) in Accounts payable	2,271	(1,222)	1,049
Depreciation expense	327	1,435	1,762
Net Cash Provided by (Used for) Operating Activities	<u>\$ 265</u>	<u>\$ 103</u>	<u>\$ 368</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2010

	<u>Bilingual Directors Annual Meeting</u>	<u>Illinois Education and Technology Conference</u>	<u>Sangamon County Schoolmasters</u>	<u>Director's Conference</u>
ASSETS				
Cash and cash equivalents	\$ 3,891	\$ 65,916	\$ 4,979	\$ 13,909
TOTAL ASSETS	\$ 3,891	\$ 65,916	\$ 4,979	\$ 13,909
LIABILITIES				
Due to other governments	\$ 3,891	\$ 65,916	\$ 4,979	\$ 13,909
TOTAL LIABILITIES	\$ 3,891	\$ 65,916	\$ 4,979	\$ 13,909

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2010

	University of Illinois at Springfield Roundtable	Special Education Non-Public Conference	Sangamon County Learning Academy	TOTALS
ASSETS				
Cash and cash equivalents	\$ 1,369	\$ 4,043	\$ 3,247	\$ 97,354
TOTAL ASSETS	\$ 1,369	\$ 4,043	\$ 3,247	\$ 97,354
LIABILITIES				
Due to other governments	\$ 1,369	\$ 4,043	\$ 3,247	\$ 97,354
TOTAL LIABILITIES	\$ 1,369	\$ 4,043	\$ 3,247	\$ 97,354

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Balance Beginning of Year 7/1/09	Additions	Deductions	Balance End of Year 6/30/10
<u>BILINGUAL DIRECTORS ANNUAL MEETING</u>				
ASSETS				
Cash and cash equivalents	\$ 478	\$ 21,240	\$ 17,827	\$ 3,891
Total Assets	<u>\$ 478</u>	<u>\$ 21,240</u>	<u>\$ 17,827</u>	<u>\$ 3,891</u>
LIABILITIES				
Due to other governments	\$ 478	\$ 21,240	\$ 17,827	\$ 3,891
Total Liabilities	<u>\$ 478</u>	<u>\$ 21,240</u>	<u>\$ 17,827</u>	<u>\$ 3,891</u>
<u>ILLINOIS EDUCATION AND TECHNOLOGY CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 64,940	\$ 120,523	\$ 119,547	\$ 65,916
Total Assets	<u>\$ 64,940</u>	<u>\$ 120,523</u>	<u>\$ 119,547</u>	<u>\$ 65,916</u>
LIABILITIES				
Due to other governments	\$ 64,940	\$ 120,523	\$ 119,547	\$ 65,916
Total Liabilities	<u>\$ 64,940</u>	<u>\$ 120,523</u>	<u>\$ 119,547</u>	<u>\$ 65,916</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Balance Beginning of Year 7/1/09	Additions	Deductions	Balance End of Year 6/30/10
<u>SANGAMON COUNTY SCHOOLMASTERS</u>				
ASSETS				
Cash and cash equivalents	\$ 4,745	\$ 3,254	\$ 3,020	\$ 4,979
Total Assets	<u>\$ 4,745</u>	<u>\$ 3,254</u>	<u>\$ 3,020</u>	<u>\$ 4,979</u>
LIABILITIES				
Due to other governments	\$ 4,745	\$ 3,254	\$ 3,020	\$ 4,979
Total Liabilities	<u>\$ 4,745</u>	<u>\$ 3,254</u>	<u>\$ 3,020</u>	<u>\$ 4,979</u>
<u>DIRECTOR'S CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 8,411	\$ 55,125	\$ 49,627	\$ 13,909
Total Assets	<u>\$ 8,411</u>	<u>\$ 55,125</u>	<u>\$ 49,627</u>	<u>\$ 13,909</u>
LIABILITIES				
Due to other governments	\$ 8,411	\$ 55,125	\$ 49,627	\$ 13,909
Total Liabilities	<u>\$ 8,411</u>	<u>\$ 55,125</u>	<u>\$ 49,627</u>	<u>\$ 13,909</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Balance Beginning of Year 7/1/09	Additions	Deductions	Balance End of Year 6/30/10
<u>UNIVERSITY OF ILLINOIS AT SPRINGFIELD ROUNDTABLE</u>				
ASSETS				
Cash and cash equivalents	\$ 2,606	\$ 6,053	\$ 7,290	\$ 1,369
Total Assets	<u>\$ 2,606</u>	<u>\$ 6,053</u>	<u>\$ 7,290</u>	<u>\$ 1,369</u>
LIABILITIES				
Due to other governments	\$ 2,606	\$ 6,053	\$ 7,290	\$ 1,369
Total Liabilities	<u>\$ 2,606</u>	<u>\$ 6,053</u>	<u>\$ 7,290</u>	<u>\$ 1,369</u>
<u>SPECIAL EDUCATION NON-PUBLIC CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 4,639	\$ 28,800	\$ 29,396	\$ 4,043
Total Assets	<u>\$ 4,639</u>	<u>\$ 28,800</u>	<u>\$ 29,396</u>	<u>\$ 4,043</u>
LIABILITIES				
Due to other governments	\$ 4,639	\$ 28,800	\$ 29,396	\$ 4,043
Total Liabilities	<u>\$ 4,639</u>	<u>\$ 28,800</u>	<u>\$ 29,396</u>	<u>\$ 4,043</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Balance Beginning of Year 7/1/09	Additions	Deductions	Balance End of Year 6/30/10
<u>SANGAMON COUNTY LEARNING</u>				
<u>ACADEMY FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 2,829	\$ 18,626	\$ 18,208	\$ 3,247
Total Assets	<u>\$ 2,829</u>	<u>\$ 18,626</u>	<u>\$ 18,208</u>	<u>\$ 3,247</u>
LIABILITIES				
Due to other governments	\$ 2,829	\$ 18,626	\$ 18,208	\$ 3,247
Total Liabilities	<u>\$ 2,829</u>	<u>\$ 18,626</u>	<u>\$ 18,208</u>	<u>\$ 3,247</u>
 <u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 88,648	\$ 253,621	\$ 244,915	\$ 97,354
Total Assets	<u>\$ 88,648</u>	<u>\$ 253,621</u>	<u>\$ 244,915</u>	<u>\$ 97,354</u>
LIABILITIES				
Due to other governments	\$ 88,648	\$ 253,621	\$ 244,915	\$ 97,354
Total Liabilities	<u>\$ 88,648</u>	<u>\$ 253,621</u>	<u>\$ 244,915</u>	<u>\$ 97,354</u>

See accompanying Independent Auditor's Report.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Federal Grantor/Pass-Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/09-6/30/10</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	10-4337-00	\$ 132,655
Title I- Reading First Part B SEA	84.357A	10-4337-04	401,268
Title I- Reading First Part B SEA	84.357A	09-4337-00	26,120
Title I- Reading First Part B SEA	84.357A	09-4337-04	20,438
Total Reading First State Grants			<u>580,481 (M)</u>
Learn and Serve America-School and Community Based Programs -			
Learn & Serve America	94.004	10-4910-00	4,086
Learn & Serve America	94.004	09-4910-00	7,772
Total Learn and Serve America-School and Community Based Programs			<u>11,858</u>
Miscellaneous Federal Programs			
Title IV - Safe & Drug Free Schools	84.186A	10-4400-00	164
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act -			
ARRA General State Aid-Sec 18-8 (TAOEP)	84.394A	10-4850-92	39,459
ARRA General State Aid-Sec 18-8 (Regional Safe Schools)	84.394A	10-4850-93	35,087
Total CFDA 84.394A			<u>74,546 (M)</u>
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act -			
ARRA General State Aid-Sec 18-8 (TAOEP)	84.397A	10-4870-92	13,153
ARRA General State Aid-Sec 18-8 (Regional Safe Schools)	84.397A	10-4870-93	11,696
Total CFDA 84.397A			<u>24,849 (M)</u>
Total State Fiscal Stabilization Fund (SFSF) Cluster			<u>99,395</u>
Total US Department of Education passed through Illinois State Board of Education			<u>691,898</u>
US Department of Agriculture passed through			
Illinois State Board of Education			
School Breakfast Program			
School Breakfast Program	10.553	09-4220-00	583
School Breakfast Program	10.553	10-4220-00	3,645
Total School Breakfast Program			<u>4,228</u>
National School Lunch			
National School Lunch	10.555	09-4210-00	1,370
National School Lunch	10.555	10-4210-00	9,262
Total National School Lunch			<u>10,632</u>
Total US Department of Agriculture passed through Illinois State Board of Education			<u>14,860</u>

The accompanying notes are an integral part of this schedule.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Federal Grantor/Pass-Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/09-6/30/10</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	10-4920-00	51,781
ARRA McKinney-Vento Homeless - Education for Homeless Children and Youth, Recovery Act	84.387A	10-4862-00	1,500
Total Education for Homeless Children and Youth - Cluster			<u>53,281</u>
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	9,458
System of Support (Title I - School Improvement and Accountability)	84.010A	10-4331-00	40,596
			<u>50,054</u>
Total US Department of Education passed through Other Institutions			<u>103,335</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	5,792
Title V-Delinquency Prevention Program - DHS Truancy Revenue Bond (Sangamon County TAOEP)	16.548	911GK16500	11,900
Total US Department of Health and Human Services passed through Illinois Department of Public Health			<u>17,692</u>
US Department of Education CFDA #84.367A			
Passed through Illinois State Board of Education			
Title II - Teacher Quality	84.367A	10-4932-00	1,304
Passed through Regional Office of Education #48			
Title II - Improving Teacher Quality State Grants - Standards Aligned Classroom	84.367A	09-4935-00	15,320
Passed through Two Rivers Professional Development Center			
Title II - Improving Teacher Quality State Grants	84.367A	10-4935-00	21,000
Total US Department of Education CFDA #84.367A			<u>37,624</u>
Total Expenditures of Federal Awards			<u>\$ 865,409</u>

(M) Program was audited as a major program.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

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.

ARRA State Fiscal Stabilization Fund (SFSF) – The ARRA State Fiscal Stabilization Funds were used in the year ended June 30, 2010, to help stabilize the Education Fund programs Truants Alternative and Optional Education and Regional Safe Schools. The ARRA SFSF funds were used for salaries and benefits and for purchased services in these programs.

NOTE 4 – NON-CASH ASSISTANCE

None

NOTE 5 – AMOUNT OF INSURANCE

None

NOTE 6 – LOANS OR GUARANTEES OUSTANDING

None