

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, 2014

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

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
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SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
JUNE 30, 2014

OFFICIALS

Regional Superintendent
(Current and during the audit period)

Mr. Jeff Vose

Assistant Regional Superintendent
(Current and during the audit period)

Ms. Shannon Fehrholz

Office is located at:

2201 S. Dirksen Parkway
Springfield, IL 62703

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
JUNE 30, 2014

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
2014-001	14a	Controls Over Financial Statement Preparation	Material Weakness
2014-002	14d	Restricted Funds Used for Unauthorized Purpose	Material Weakness
2014-003	14e	Inadequate Internal Controls Over Compliance Requirements	Material Weakness/ Noncompliance

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

2014-003	14e	Inadequate Internal Controls Over Compliance Requirements	Material Weakness/ Noncompliance
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PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

13-002		Inadequate Internal Control Procedures	Material Weakness
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PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

N/A		N/A	N/A
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SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
JUNE 30, 2014

COMPLIANCE REPORT SUMMARY (Concluded)

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on November 14, 2014. Attending were Jeff Vose, Regional Superintendent; Shawn Kaiser, Fiscal Manager; and Tami Knight, Partner, Kemper CPA Group, LLP. Responses to the recommendations were provided by Jeff Vose, Regional Superintendent, on June 3, 2015.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
JUNE 30, 2014

FINANCIAL STATEMENT REPORT SUMMARY

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

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



INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

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 Sangamon County Regional Office of Education #51 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Sangamon County Regional Office of Education #51's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sangamon County Regional Office of Education #51, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Funding Progress, and Other Post-Employment Benefits - Health Insurance Schedule of Funding Progress on pages 18a through 18f, 58 and 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

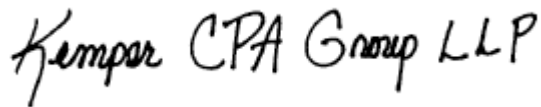
Other Information

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

The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2015 on our consideration of the Sangamon County 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sangamon County Regional Office of Education #51's internal control over financial reporting and compliance.



*Certified Public Accountants
and Consultants*

Mattoon, Illinois
August 7, 2015



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sangamon County Regional Office of Education #51, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Sangamon County Regional Office of Education #51's basic financial statements, and have issued our report thereon dated August 7, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sangamon County Regional Office of Education #51's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sangamon County Regional Office of Education #51's internal control. Accordingly, we do not express an opinion on the effectiveness of Sangamon County Regional Office of Education #51's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control 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 the accompanying Schedule of Findings and Questioned Costs as items 2014-001, 2014-002, and 2014-003 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sangamon County 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-003.

Regional Office of Education #51's Responses to Findings

Sangamon County 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. Sangamon County Regional Office of Education #51's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sangamon County Regional Office of Education #51's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sangamon County Regional Office of Education #51's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
August 7, 2015



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Honorable William G. Holland
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited 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 Regional Office of Education #51's major federal programs for the year ended June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Sangamon County Regional Office of Education #51's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Sangamon County Regional Office of Education #51's compliance.

Basis for Qualified Opinion on Title I – Grants to Local Educational Agencies (Title I – School Improvement and Accountability)

As described in the accompanying Schedule of Findings and Questioned Costs, the Sangamon County Regional Office of Education #51 did not comply with requirements regarding CFDA 84.010A Title I – School Improvement and Accountability as described in finding number 2014-003 for Sub-recipient Monitoring and Reporting. Compliance with such requirements is necessary, in our opinion, for the Sangamon County Regional Office #51 to comply with the requirements applicable to that program.

Qualified Opinion on Title I – Grants to Local Educational Agencies (Title I – School Improvement and Accountability)

In our opinion, except for the noncompliance described in the Basis For Qualified Opinion paragraph, the Sangamon County Regional Office of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Title I – Grants to Local Educational Agencies (Title I – School Improvement and Accountability) for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-003. Our opinion on each major federal program is not modified with respect to these matters.

Sangamon County Regional Office of Education #51’s response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Sangamon County Regional Office of Education #51’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Sangamon County Regional Office of Education #51 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Sangamon County Regional Office of Education #51’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2014-003 to be a material weakness.

Sangamon County Regional Office of Education #51's response to the internal control over compliance findings identified in our audit is described in the accompany Schedule of Findings and Questioned Costs. Sangamon County Regional Office of Education #51's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
August 7, 2015

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2014

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
● Material weaknesses identified?	Yes
● Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major federal programs:	
● Material weaknesses identified?	Yes
● Significant deficiencies identified?	None reported
Type of auditors’ report issued on compliance for major federal programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	Yes
Identification of major federal programs:	

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	Title I - Grants to Local Educational Agencies (Title I – School Improvement and Accountability)

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, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 2014-001 – Controls Over Financial Statement Preparation (Repeated from Finding 13-001, 12-01, 11-01, 10-01, 09-01, 08-01 & 07-01)

Criteria/specific requirement:

The Sangamon County 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). Regional Office of Education #51's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental funds balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities. In addition, the Statement requires information about the government's major and nonmajor funds in the aggregate, to be provided in the fund financial statements.

Condition:

The Regional Office of Education #51 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #51 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #51 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of 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.

During review of the Regional Office of Education #51's financial information prepared by the Regional Office of Education #51, the following was noted:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, unearned revenue, or capital outlay. While the Regional Office did maintain records to indicate the balances of accounts receivable, accounts payable, and capital outlay, not all entries were provided to reconcile the Regional Office of Education #51's grant activity, such as posting grant receivables and unearned revenue.
- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 2014-001 – Controls Over Financial Statement Preparation (Repeated from Finding 13-001, 12-01, 11-01, 10-01, 09-01, 08-01 & 07-01) (Continued)

- Investments in the amount of \$300,000 were not segregated in the general ledger but instead included in cash balances.
- Transactions that should have been recorded as interfund transfers were instead recorded as revenue in the fund receiving the funds and as expenditures in the fund disbursing the funds.
- The June 30, 2014, unadjusted bank reconciliation for the Regional Office’s main operating account did not reconcile to the general ledger which resulted in a material variance of \$49,100. In addition, there was no evidence of management’s review and approval of some of the bank reconciliations.
- The general ledger did not support the June 30, 2014 expenditure report for the Common Core program submitted to ISBE due to account miscodings in the accounting records. A net variance of \$123,327 between the expenditure report and supporting general ledger existed.
- Eleven (11) of 12 journal entries tested lacked evidence of review and approval by an individual independent of the general ledger process.

Effect:

The Regional Office of Education #51 management or its 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 the Regional Office of Education #51 management, the Regional Office did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

Auditor’s Recommendation:

- As part of internal control over the preparation of financial statements, the Regional Office of Education #51 should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education #51’s activities and operations.
- The Regional Office should develop procedures to ensure that all necessary adjustments have been recorded to ensure the financial statements are presented in accordance with generally accepted accounting principles.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 2014-001 – Controls Over Financial Statement Preparation (Repeated from Finding 13-001, 12-01, 11-01, 10-01, 09-01, 08-01 & 07-01) (Concluded)

- The Regional Office should segregate investment activity and cash balances and adjust investment accounts monthly to ensure they are being reported at their current market value.
- The Regional Office should account for all interfund transfers as a transfer in for the fund that receives the money and a transfer out for the fund that disburses the money. If an actual transfer of cash is not involved, revenues and expenditures should be recorded in the fund that received the funding and incurred the cost respectively.
- The Regional Office should ensure that bank reconciliations are completed in a timely manner, agree to the general ledger, and are reviewed by management in a timely manner to confirm the accuracy of the reconciliation and timely correction of reconciliation errors noted.
- The Regional Office should develop procedures to ensure that general ledger reports used to construct expenditure reports are accurate and current prior to submission. The Regional Office should also amend and resubmit the expenditure report to the granting agency.
- The Regional Office should ensure that all journal entries are reviewed and approved by an individual independent of the general ledger process.

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, they lack 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. The Regional Office of Education #51 will continue to work with the other Regional Offices of Education to determine the most effective method of ensuring that employees possess the knowledge required to compile the necessary GAAP based financial statements. The Regional Office of Education #51 accepts the auditors' recommendations and has revised policies, procedures and/or practices to address the finding noted.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 2014-002 – Restricted Funds Used for Unauthorized Purpose

Criteria/specific requirement:

The Sangamon County Regional Office of Education #51 is required to use grant monies for allowable expenditures and purposes as outlined in grant agreements.

Condition:

Due to delayed grant reimbursements, some funds lacked cash to pay for their expenditures, resulting in interfund loans within the Regional Office of Education #51's pooled cash account. The Regional Office of Education #51 loaned \$35,975 of restricted funds from the Common Core Statewide Initiatives Fund to other grant funds to cover negative cash balances for delayed reimbursements.

Effect:

The Regional Office of Education #51 was not in compliance with the Common Core Statewide Initiatives grant agreement.

Cause:

The Regional Office of Education #51, due to delayed grant reimbursements, did not have adequate unrestricted cash balances to offset grant expenditures.

Auditor's Recommendation:

The Regional Office of Education #51 should monitor payments from pooled cash accounts to ensure that the particular fund paying expenditures has sufficient funds to cover the payments and should use the Common Core Statewide Initiatives Fund only for purposes allowed by the grant agreement.

Management's Response:

The Regional Office of Education #51 accepts the auditors' recommendations and has revised policies, procedures and/or practices to address the finding noted.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 2014-003 – Inadequate Internal Controls over Compliance Requirements

Federal Program: Title I Grants to Local Educational Agencies

Project No.: 14-4331-SS

CFDA No.: 84.010

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

As a recipient of federal, State, and local funds from various grantor agencies, the Regional Office must incorporate certain procedures into their operations in order to comply with the grant agreements with these entities.

Condition:

- During testing of information provided to subrecipients of this program, it was noted that the information did not include the CFDA number or total award to be granted.
- During testing of subrecipient monitoring, it was noted that subrecipients of the grant did not submit required reporting to the Regional Office.
- During testing of reporting requirements, it was noted that 3 of 4 (75%) expenditure reports were submitted late to the grantor.
- During testing of reporting requirements, it was noted that the general ledger did not support any of the expenditure reports submitted to the grantor.
- In 4 of 40 (10%) disbursements tested, presenter fees for training of Regional Office of Education #51 personnel were incorrectly coded.
- In 1 of 40 (2.5%) disbursements tested, Title I indirect costs were assigned as a salaries account number. No actual cost report was utilized to ensure the costs were for actual costs rather than budgeted amounts.

Questioned Costs: None

Context:

- The Regional Office is required to properly identify Federal award information to the subrecipients of the grant.
- The Regional Office is required to properly identify Federal award compliance requirements to the subrecipients of the grant.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 2014-003 – Inadequate Internal Controls over Compliance Requirements (Continued)

- Quarterly expenditure reports for grants passed through the Illinois State Board of Education are required to be submitted within 20 days of the end of the quarter. Quarterly expenditure reports were submitted between 1 to 148 days late.
- The general ledger balances used to construct expenditure reports did not agree to the quarterly expenditure reports submitted to the grantor.
- N/A
- A Cost Allocation Plan for indirect costs requires support through records and documentation showing personnel time and effort information and the propriety of charges to be substantiated.

Effect:

The Regional Office was not in compliance with the requirements of this federal program.

Cause:

Since this was the first year to administer this grant, the Regional Office of Education #51 had not established sufficient internal control procedures to ensure compliance with grant requirements.

Auditor's Recommendation:

- The Regional Office should review all requirements of the grant to ensure that all necessary Federal award information has been provided to the subrecipients of the grant upon award of the grant.
- The Regional Office should notify all subrecipients of compliance requirements of the grant to ensure that all necessary reporting is submitted to the Regional Office timely.
- The Regional Office should develop procedures to ensure that required reporting to the grantor is completed in a timely manner.
- The Regional Office should develop procedures to ensure that general ledger reports used to construct expenditure reports are accurate and current prior to submission.
- The Regional Office should develop procedures to ensure all expenditures are coded to the correct accounts for accurate reporting to grantors.
- The Regional Office should develop procedures and implement the use of a Cost Allocation Plan to ensure all indirect costs are properly substantiated utilizing personnel time and effort information.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

Finding No. 2014-003 – Inadequate Internal Controls over Compliance Requirements (Concluded)

Management's Response:

The Regional Office of Education #51 accepts the auditors' recommendations and has revised policies, procedures and/or practices to address the finding noted.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION III – FEDERAL AWARD FINDINGS

INSTANCES OF NONCOMPLIANCE:

Finding No 2014-003—(finding details on pages 14e-g)

SIGNIFICANT DEFICIENCIES:

NONE

MATERIAL WEAKNESSES:

Finding No 2014-003—(finding details on pages 14e-g)

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Corrective Action Plan

Finding No. 2014-001 – Controls Over Financial Statement Preparation (Repeated from Finding 13-001, 12-01, 11-01, 10-01, 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 of Education #51 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #51 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of 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.

During review of the Regional Office of Education #51's financial information prepared by the Regional Office of Education #51, the following was noted:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, unearned revenue, or capital outlay. While the Regional Office did maintain records to indicate the balances of accounts receivable, accounts payable, and capital outlay, not all entries were provided to reconcile the Regional Office of Education #51's grant activity, such as posting grant receivables and unearned revenue.
- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.
- Investments in the amount of \$300,000 were not segregated in the general ledger but instead included in cash balances.
- Transactions that should have been recorded as interfund transfers were instead recorded as revenue in the fund receiving the funds and as expenditures in the fund disbursing the funds.
- The June 30, 2014, unadjusted bank reconciliation for the Regional Office's main operating account did not reconcile to the general ledger which resulted in a material variance of \$49,100. In addition, there was no evidence of management's review and approval of some of the bank reconciliations.
- The general ledger did not support the June 30, 2014 expenditure report for the Common Core program submitted to ISBE due to account miscodings in the accounting records. A net variance of \$123,327 between the expenditure report and supporting general ledger existed.
- Eleven (11) of 12 journal entries tested lacked evidence of review and approval by an individual independent of the general ledger process.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Corrective Action Plan

Finding No. 2014-001 – Controls Over Financial Statement Preparation (Repeated from Finding 13-001, 12-01, 11-01, 10-01, 09-01, 08-01 & 07-01) (Concluded)

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. The Regional Office of Education #51 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.
- The Regional Office will ensure all necessary adjusting entries are recorded to present the financial statements in accordance with generally accepted accounting principles.
- The Regional Office will ensure that all investment activity is segregated from cash account balances and the investment accounts are adjusted monthly to reflect their current market value.
- The Regional Office will account for all interfund transfers as a transfer in for the fund that receives the money and a transfer out for the fund that disburses the money. If an actual transfer of cash is not involved, the Regional Office will ensure that revenues and expenditures are recorded in the fund that received the funding and incurred the cost, respectively.
- The Regional Office will ensure that all bank reconciliations are completed in a timely manner and agree to the general ledger. Management of the Regional Office will also review the bank reconciliation timely to confirm the accuracy of the reconciliation, confirm the reconciliation reconciles to the general ledger, and document their approval.
- The Regional Office will implement procedures to ensure that general ledger reports used to construct expenditure reports are accurate and current prior to submission and will amend and resubmit a corrected expenditure report.
- The Regional Office will ensure that all journal entries are reviewed and approved by an individual independent of the general ledger process.

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
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Corrective Action Plan

Finding No. 2014-002 – Restricted Funds Used for Unauthorized Purpose

Condition:

Due to delayed grant reimbursements, some funds lacked cash to pay for their expenditures, resulting in interfund loans within the Regional Office of Education #51's pooled cash account. The Regional Office of Education #51 loaned \$35,975 of restricted funds from the Common Core Statewide Initiatives Fund to other grant funds to cover negative cash balances for delayed reimbursements.

Plan:

The Regional Office will ensure that there are ample unrestricted cash sources in the Regional Office's pooled cash account to cover delayed grant reimbursements.

Anticipated Date of Completion:

June 30, 2015

Contact Person Responsible for Corrective Action:

Honorable Jeff Vose, Regional Superintendent of Schools

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Corrective Action Plan

Finding No. 2014-003 – Inadequate Internal Controls over Compliance Requirements

Condition:

- During testing of information provided to subrecipients of this program, it was noted that the information did not include the CFDA number or total award to be granted.
- During testing of subrecipient monitoring, it was noted that subrecipients of the grant did not submit required reporting to the Regional Office.
- During testing of reporting requirements, it was noted that 3 of 4 (75%) expenditure reports were submitted late to the grantor.
- During testing of reporting requirements, it was noted that the general ledger did not support any of the expenditure reports submitted to the grantor.
- In 4 of 40 (10%) disbursements tested, presenter fees for training of Regional Office of Education #51 personnel were incorrectly coded.
- In 1 of 40 (2.5%) disbursements tested, Title I indirect costs were assigned as a salaries account number. No actual cost report was utilized to ensure the costs were for actual costs rather than budgeted amounts.

Plan:

- The Regional Office will review all requirements of a grant to ensure that all necessary Federal award information has been provided to the subrecipients of the grant upon award of the grant.
- The Regional Office will notify all subrecipients of compliance requirements of the grant to ensure that all necessary reporting is submitted to the Regional Office timely.
- The Regional Office will develop procedures to ensure that required reporting to the grantor is completed in a timely manner.
- The Regional Office will implement procedures to ensure that general ledger reports used to construct expenditure reports are accurate and current prior to submission.
- The Regional Office will develop procedures to ensure that all expenditures are coded to the correct general ledger accounts to ensure accurate reporting to grantors.
- The Regional Office will develop procedures and implement the use of a Cost Allocation Plan to ensure that all indirect costs are properly substantiated utilizing personnel time and effort information.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Corrective Action Plan

Finding No. 2014-003 – Inadequate Internal Controls over Compliance Requirements (Concluded)

Anticipated Date of Completion:

June 30, 2015

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, 2014

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
13-001	Controls Over Financial Statement Preparation	Repeated
13-002	Inadequate Internal Control Procedures	Corrected

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

The 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, 2014. 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 2014 activity, making comparisons of the financial position and results of operations more meaningful.

Financial Highlights

- General Fund revenues increased from \$1,120,201 in fiscal year 2013 to \$1,510,289 in fiscal year 2014, while the expenditures increased from \$1,303,040 in fiscal year 2013 to \$1,803,297 in fiscal year 2014. The Regional Office experienced a decrease in the General Fund fund balance from \$802,144 in fiscal year 2013 to \$631,994 in fiscal year 2014. This was a result of increased revenues and increased expenses in General State Aid, as well as the activity from a newly-awarded grant in FY14.
- The Education Fund balance increased from \$61,530 in fiscal year 2013 to \$133,142 in fiscal year 2014. Education Fund revenues increased from \$868,190 in fiscal year 2013 to \$2,681,613 in fiscal year 2014, and expenditures increased from \$849,533 in fiscal year 2013 to \$2,564,310 in fiscal year 2014 primarily due to an increase in federal sources.
- Proprietary Fund revenues decreased from \$108,775 in fiscal year 2013 to \$68,778 in fiscal year 2014, while the expenditures also decreased from \$123,721 in fiscal year 2013 to \$77,090 in fiscal year 2014. The Regional Office experienced a decrease in the Proprietary Fund fund balance from \$32,951 in fiscal year 2013 to \$24,539 in fiscal year 2014. This was a result of the decrease in the number of workshops offered and the number of background checks completed.

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 Position and a Statement of Activities. These provide information about the activities of the Regional Office 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, 2014**

Reporting the Agency as a Whole

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the Regional Office as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Regional Office's 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 position and how it has changed. Net position—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 net position 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 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 Revenues, Expenditures, and Changes in Fund Balances.

- 2) Proprietary funds account for services for which the Regional Office 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 Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Reporting the Agency as a Whole (Concluded)

- 3) Fiduciary funds account for services for which the Regional Office acts as fiscal agent for individuals and private or governmental organizations.

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

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 position may serve over time as a useful indicator of financial position. The Regional Office's net position at the end of fiscal year 2013 totaled \$1,135,620. At the end of fiscal year 2014, the net position was \$1,036,806. The analysis that follows provides a summary of the Regional Office's net position at June 30, 2014 and 2013.

**CONDENSED STATEMENT OF NET POSITION
June 30, 2014 and 2013**

	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
ASSETS						
Current assets	\$ 1,736,161	\$ 1,287,090	\$ 26,012	\$ 30,362	\$ 1,762,173	\$ 1,317,452
Capital assets, net of depreciation	<u>9,635</u>	<u>5,572</u>	<u>619</u>	<u>3,001</u>	<u>10,254</u>	<u>8,573</u>
TOTAL ASSETS	<u>\$ 1,745,796</u>	<u>\$ 1,292,662</u>	<u>\$ 26,631</u>	<u>\$ 33,363</u>	<u>\$ 1,772,427</u>	<u>\$ 1,326,025</u>
LIABILITIES						
Current liabilities	<u>\$ 733,529</u>	<u>\$ 189,993</u>	<u>\$ 2,092</u>	<u>\$ 412</u>	<u>\$ 735,621</u>	<u>\$ 190,405</u>
TOTAL LIABILITIES	<u>733,529</u>	<u>189,993</u>	<u>2,092</u>	<u>412</u>	<u>735,621</u>	<u>190,405</u>
NET POSITION						
Investments in capital assets, net of related debt	9,635	5,572	619	3,001	10,254	8,573
Unrestricted	631,994	802,144	23,920	29,950	655,914	832,094
Restricted for educational purposes	<u>370,638</u>	<u>294,953</u>	<u>-</u>	<u>-</u>	<u>370,638</u>	<u>294,953</u>
TOTAL NET POSITION	<u>\$ 1,012,267</u>	<u>\$ 1,102,669</u>	<u>\$ 24,539</u>	<u>\$ 32,951</u>	<u>\$ 1,036,806</u>	<u>\$ 1,135,620</u>

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Government-Wide Financial Analysis (Continued)

The Regional Office's net position decreased by \$98,814 from fiscal year 2013 to fiscal year 2014.

The following analysis shows the changes in net position for the years ended June 30, 2014 and 2013.

**CHANGES IN NET POSITION
For the Years Ended June 30, 2014 and 2013**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 68,778	\$ 109,216	\$ 68,778	\$ 109,216
Operating grants & contributions	1,936,854	850,632	-	-	1,936,854	850,632
General Revenues:						
Transfers in (out)	100	441	(100)	(441)	-	-
Local sources	2,099,020	981,817	-	-	2,099,020	981,817
State sources	60,369	425,602	-	-	60,369	425,602
Federal sources	-	-	-	-	-	-
On-behalf payments	797,351	622,743	-	-	797,351	622,743
Investment income	(313)	4,898	-	-	(313)	4,898
Total revenues	<u>4,893,381</u>	<u>2,886,133</u>	<u>68,678</u>	<u>108,775</u>	<u>4,962,059</u>	<u>2,994,908</u>
Expenses:						
Salaries and benefits	2,599,861	1,596,046	40,355	41,941	2,640,216	1,637,987
Purchased services	835,537	617,260	32,014	77,119	867,551	694,379
Supplies and materials	79,505	118,566	1,969	1,463	81,474	120,029
Depreciation	2,599	3,081	2,382	2,383	4,981	5,464
Other objects	3,206	5,472	370	815	3,576	6,287
Payments to other governments	671,854	396	-	-	671,854	396
On-behalf payments	797,351	622,743	-	-	797,351	622,743
Total expenses	<u>4,989,913</u>	<u>2,963,564</u>	<u>77,090</u>	<u>123,721</u>	<u>5,067,003</u>	<u>3,087,285</u>
Change in net position	<u>(96,532)</u>	<u>(77,431)</u>	<u>(8,412)</u>	<u>(14,946)</u>	<u>(104,944)</u>	<u>(92,377)</u>
Net Position – beginning, restated	<u>1,108,799</u>	<u>1,180,100</u>	<u>32,951</u>	<u>47,897</u>	<u>1,141,750</u>	<u>1,227,997</u>
Net Position – ending	<u>\$ 1,012,267</u>	<u>\$ 1,102,669</u>	<u>\$ 24,539</u>	<u>\$ 32,951</u>	<u>\$ 1,036,806</u>	<u>\$ 1,135,620</u>

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Government-Wide Financial Analysis (Concluded)

Governmental Activities

Revenues for governmental activities were \$4,893,381 and expenses were \$4,989,913. The increase in revenues and expenses is due to an increase in operating grants and local and state revenue sources awarded.

Financial Analysis of the Regional Office Funds

As previously noted, the Regional Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office's governmental funds reported combined fund balances of \$1,002,632.

Governmental Fund Highlights

- County support for the Regional Office increased from 2013 to 2014.
- Although grant funding decreased due to budget constraints, the Regional Office 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 continues to 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's business-type activities and expenses combined for a total net position balance of \$24,539. 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 and all substitute teachers in the County schools. This activity is recorded in the Background Check Fund.

Budgetary Highlights

The Regional Office 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 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.

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Capital Assets

Capital assets of the Regional Office include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office maintains an inventory of capital assets which have been accumulated over time. The Regional Office's ending net capital asset balance for fiscal year 2014 is \$10,254, which is the total original cost of the capital assets less accumulated depreciation. More detailed information about capital assets is available in Note 9 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 interest rate on investments remains low and will continue to impact interest earned but the Regional Office increased investment return by changing banking institutions.
- Several grants have remained near or at previous funding levels, including the School Services funding, which provides professional development opportunities to Sangamon County teachers.
- The State of Illinois financial crisis results in cuts to State programs and significant delays in payments.
- County Board support of the Regional Office will remain consistent for fiscal year 2015.

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 Sangamon County Regional Office of Education #51, at 2201 S Dirksen Pkwy, Springfield, IL 62703.

BASIC FINANCIAL STATEMENTS

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 815,901	\$ -	\$ 815,901
Accounts receivable	188,690	-	188,690
Investments	296,598	-	296,598
Prepaid expenses	3,717	-	3,717
Due (to) from other funds	(23,482)	23,482	-
Due from other governments:			
Local	104,196	2,530	106,726
State	147,571	-	147,571
Federal	202,970	-	202,970
Total Current Assets	<u>1,736,161</u>	<u>26,012</u>	<u>1,762,173</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	9,635	619	10,254
TOTAL ASSETS	<u>1,745,796</u>	<u>26,631</u>	<u>1,772,427</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	247,556	1,891	249,447
Accrued payroll and benefits	76,315	201	76,516
Due to other governments:			
Local	109,053	-	109,053
State	24,688	-	24,688
Federal	14,353	-	14,353
Unearned revenue	261,564	-	261,564
Total Current Liabilities	<u>733,529</u>	<u>2,092</u>	<u>735,621</u>
NET POSTION			
Investment in capital assets	9,635	619	10,254
Restricted for educational purposes	370,638	-	370,638
Unrestricted	631,994	23,920	655,914
TOTAL NET POSITION	<u>\$ 1,012,267</u>	<u>\$ 24,539</u>	<u>\$ 1,036,806</u>

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, 2014

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	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	\$ 2,599,861	\$ -	\$ 921,977	\$ (1,677,884)	\$ -	\$ (1,677,884)
Purchased services	835,537	-	302,445	(533,092)	-	(533,092)
Supplies and materials	79,505	-	15,287	(64,218)	-	(64,218)
Other objects	3,206	-	18,629	15,423	-	15,423
Depreciation expense	2,599	-	-	(2,599)	-	(2,599)
Capital outlay	-	-	6,662	6,662	-	6,662
Payments to other governments	671,854	-	671,854	-	-	-
Administrative:						
On-behalf payments - Local	256,961	-	-	(256,961)	-	(256,961)
On-behalf payments - State	540,390	-	-	(540,390)	-	(540,390)
Total Governmental Activities	<u>4,989,913</u>	<u>-</u>	<u>1,936,854</u>	<u>(3,053,059)</u>	<u>-</u>	<u>(3,053,059)</u>
Business-Type Activities:						
Service fees	77,090	68,778	-	-	(8,312)	(8,312)
Total Business-Type Activities	<u>77,090</u>	<u>68,778</u>	<u>-</u>	<u>-</u>	<u>(8,312)</u>	<u>(8,312)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 5,067,003</u>	<u>\$ 68,778</u>	<u>\$ 1,936,854</u>	<u>(3,053,059)</u>	<u>(8,312)</u>	<u>(3,061,371)</u>
GENERAL REVENUES:						
Local sources				2,099,020	-	2,099,020
State sources				60,369	-	60,369
On-behalf payments - Local				256,961	-	256,961
On-behalf payments - State				540,390	-	540,390
Transfers in (out)				100	(100)	-
Investment earnings				3,092	-	3,092
Unrealized investment losses				(3,405)	-	(3,405)
Total General Revenues				<u>2,956,527</u>	<u>(100)</u>	<u>2,956,427</u>
CHANGE IN NET POSITION				<u>(96,532)</u>	<u>(8,412)</u>	<u>(104,944)</u>
NET POSITION - BEGINNING,						
RESTATED (See Note 15)				<u>1,108,799</u>	<u>32,951</u>	<u>1,141,750</u>
NET POSITION - ENDING				<u>\$ 1,012,267</u>	<u>\$ 24,539</u>	<u>\$ 1,036,806</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, 2014

	General Fund	Institute	Education Fund	Cook County General Education Development	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ -	\$ 260,681	\$ 418,916	\$ 121,344	\$ 14,960	\$ -	\$ 815,901
Accounts receivable	-	-	188,690	-	-	-	188,690
Investments	296,598	-	-	-	-	-	296,598
Prepaid expenses	-	-	3,717	-	-	-	3,717
Due from other funds	376,243	-	35,975	-	-	(412,218)	-
Due from other governments:							
Local	102,885	-	-	-	1,311	-	104,196
State	-	-	147,571	-	-	-	147,571
Federal	-	-	202,970	-	-	-	202,970
TOTAL ASSETS	\$ 775,726	\$ 260,681	\$ 997,839	\$ 121,344	\$ 16,271	\$ (412,218)	\$ 1,759,643
LIABILITIES							
Accounts payable	\$ 11,177	\$ -	\$ 227,501	\$ 8,440	\$ 438	\$ -	\$ 247,556
Accrued payroll and benefits	41,420	775	34,120	-	-	-	76,315
Due to other funds	91,135	-	302,471	-	42,094	(412,218)	23,482
Due to other governments:							
Local	-	-	-	109,053	-	-	109,053
State	-	-	24,688	-	-	-	24,688
Federal	-	-	14,353	-	-	-	14,353
Unearned revenue	-	-	261,564	-	-	-	261,564
Total Liabilities	143,732	775	864,697	117,493	42,532	(412,218)	757,011
FUND BALANCE (DEFICIT)							
Nonspendable	-	-	3,717	-	-	-	3,717
Restricted	-	259,906	129,425	3,851	15,480	-	408,662
Assigned	374,187	-	-	-	-	-	374,187
Unassigned	257,807	-	-	-	(41,741)	-	216,066
Total Fund Balance (Deficit)	631,994	259,906	133,142	3,851	(26,261)	-	1,002,632
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)							
	\$ 775,726	\$ 260,681	\$ 997,839	\$ 121,344	\$ 16,271	\$ (412,218)	\$ 1,759,643

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 POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2014

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 1,002,632

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

Capital assets used in governmental activities are not
financial resources and, therefore, are not reported in the funds. 9,635

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,012,267

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Institute	Education Fund	Cook County General Education Development	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
REVENUES							
Local sources	\$ 330,925	\$ 59,130	\$ 1,062,207	\$ 619,663	\$ 27,095	\$ -	\$ 2,099,020
On-behalf payments - Local	256,961	-	-	-	-	-	256,961
State sources	382,013	-	1,081,679	-	1,440	-	1,465,132
On-behalf payments - State	540,390	-	-	-	-	-	540,390
Federal sources	-	-	537,727	-	-	-	537,727
Total Revenues	<u>1,510,289</u>	<u>59,130</u>	<u>2,681,613</u>	<u>619,663</u>	<u>28,535</u>	<u>-</u>	<u>4,899,230</u>
EXPENDITURES							
Instructional Services:							
Salaries and benefits	661,156	20,840	1,573,984	322,327	21,554	-	2,599,861
Purchased services	288,163	30,707	308,704	204,564	3,399	-	835,537
Supplies and materials	49,885	2,041	9,768	17,777	34	-	79,505
Other objects	80	-	-	3,126	-	-	3,206
Payments to other governments	-	-	671,854	-	-	-	671,854
On-behalf payments - Local	256,961	-	-	-	-	-	256,961
On-behalf payments - State	540,390	-	-	-	-	-	540,390
Capital outlay	6,662	-	-	-	-	-	6,662
Total Expenditures	<u>1,803,297</u>	<u>53,588</u>	<u>2,564,310</u>	<u>547,794</u>	<u>24,987</u>	<u>-</u>	<u>4,993,976</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(293,008)</u>	<u>5,542</u>	<u>117,303</u>	<u>71,869</u>	<u>3,548</u>	<u>-</u>	<u>(94,746)</u>
OTHER FINANCING SOURCES (USES):							
Transfer in	159,226	-	40,814	-	-	(199,940)	100
Transfer out	(38,101)	-	(86,581)	(72,641)	(2,617)	199,940	-
Interest	2,408	608	76	-	-	-	3,092
Unrealized investment losses	(3,405)	-	-	-	-	-	(3,405)
Total Other Financing Sources (Uses)	<u>120,128</u>	<u>608</u>	<u>(45,691)</u>	<u>(72,641)</u>	<u>(2,617)</u>	<u>-</u>	<u>(213)</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(172,880)	6,150	71,612	(772)	931	-	(94,959)
FUND BALANCE (DEFICIT) - BEGINNING, Restated (See Note 15)	<u>804,874</u>	<u>253,756</u>	<u>61,530</u>	<u>4,623</u>	<u>(27,192)</u>	<u>-</u>	<u>1,097,591</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 631,994</u>	<u>\$ 259,906</u>	<u>\$ 133,142</u>	<u>\$ 3,851</u>	<u>\$ (26,261)</u>	<u>\$ -</u>	<u>\$ 1,002,632</u>

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, 2014

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ (94,959)

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	\$ 6,662	
Depreciation expense	<u>(2,599)</u>	4,063

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

Prior year unavailable revenue	<u>(5,636)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (96,532)

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Business-Type Activities - Enterprise Funds	
	Nonmajor Enterprise Funds	Total
	ASSETS	
Current assets:		
Due from other funds	\$ 23,482	\$ 23,482
Due from other governments:		
Local	2,530	2,530
Total current assets	26,012	26,012
Noncurrent assets:		
Capital assets, being depreciated, net	619	619
TOTAL ASSETS	26,631	26,631
LIABILITIES		
Accounts payable	1,891	1,891
Accrued payroll and benefits	201	201
TOTAL LIABILITIES	2,092	2,092
NET POSITION		
Investment in capital assets	619	619
Unrestricted	23,920	23,920
TOTAL NET POSITION	\$ 24,539	\$ 24,539

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 POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds	
	Nonmajor Enterprise Funds	Total
OPERATING REVENUES		
Charges for services	\$ 68,778	\$ 68,778
Total Operating Revenues	68,778	68,778
OPERATING EXPENSES		
Salaries and benefits	40,355	40,355
Purchased services	32,014	32,014
Supplies and materials	1,969	1,969
Other objects	370	370
Depreciation expense	2,382	2,382
Total Operating Expenses	77,090	77,090
OPERATING LOSS	(8,312)	(8,312)
NONOPERATING EXPENSE		
Transfers out	(100)	(100)
Total Nonoperating Expense	(100)	(100)
CHANGE IN NET POSITION	(8,412)	(8,412)
TOTAL NET POSITION - BEGINNING	32,951	32,951
TOTAL NET POSITION - ENDING	\$ 24,539	\$ 24,539

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, 2014

	Business-Type Activities - Enterprise Funds	
	Nonmajor Enterprise Funds	Totals
Cash flows from operating activities:		
Receipts from customers	\$ 68,226	\$ 68,226
Payments to suppliers and providers of goods and services	(32,655)	(32,655)
Payments to employees	(40,373)	(40,373)
Net cash used for operating activities	(4,802)	(4,802)
Cash flows from noncapital financing activities:		
Cash transfers to other funds	(100)	(100)
Increase in interfund borrowing, net	(23,482)	(23,482)
Net cash used for noncapital financing activities	(23,582)	(23,582)
Net decrease in cash and cash equivalents	(28,384)	(28,384)
Cash and cash equivalents - Beginning	28,384	28,384
Cash and cash equivalents - Ending	\$ -	\$ -
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ (8,312)	\$ (8,312)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Increase in due from other governments	(552)	(552)
Depreciation expense	2,382	2,382
Increase in accounts payable	1,698	1,698
(Decrease) in accrued payroll and benefits	(18)	(18)
Net cash used for operating activities	\$ (4,802)	\$ (4,802)

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 144,569
TOTAL ASSETS	<u>\$ 144,569</u>
LIABILITIES	
Due to other governments	\$ 144,569
TOTAL LIABILITIES	<u>\$ 144,569</u>

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 2014, the Regional Office of Education #51 implemented *Governmental Accounting Standards Board (GASB) Statement No. 65, Items Previously Reported as Assets and Liabilities*; GASB Statement No. 66, *Technical Corrections – 2012 - an amendment of GASB Statements No. 10 and No. 62*; GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*; and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The Regional Office of Education #51 implemented these standards during the current year; however, GASB Statement No. 70 had no impact on the financial statements. The implementation of GASB Statement No. 65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of GASB Statement No. 66 resolved conflicting guidance that resulted from the issuance of GASB Statement Nos. 54 and 62 regarding risk financing activities, operating leases, purchased loans, and servicing fees. The implementation of GASB Statement No. 67 improved financial reporting by state and local governmental pension plans.

The *Government Accounting Standards Board* has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*. This statement will be implemented for the fiscal year ending, June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.

A. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through August 7, 2015, the date when the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

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.

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, 2014, 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).

C. 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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. SCOPE OF THE REPORTING ENTITY (Concluded)

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.

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position 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 Position 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 focus 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 Position. 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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Concluded)

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 Position 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 Position. 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 Position 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 shortfalls in cash flow within grant programs and funds.

E. PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, 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 Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. 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.

F. GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and 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 position and changes in net position presented in the government-wide financial statements.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. GOVERNMENTAL FUND FINANCIAL STATEMENTS (Concluded)

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 inflows of resources 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.

G. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The governmental 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.

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 restricted funds to such programs, then unrestricted funds. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned funds if any.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. 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 (including deferred outflows), liabilities (including deferred inflows), 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 (including deferred outflows), liabilities (including deferred inflows), 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 all financial resources in the Region except those required to be accounted and reported 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.

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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

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.

General State Aid – Truants Alternative Optional Education Program – This fund accounts for General State Aid used for the general operations of the Truants Alternative Optional Education Program.

General State Aid – Regional Safe Schools – This fund accounts for General State Aid used for the general operations of the Regional Safe Schools program.

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

WestEd – This fund accounts for activity per an educational services agreement between the Regional Office of Education #51 and WestEd. Within this agreement, the Regional Office of Education #51 provides support to teachers and local coaches in the implementation of KIDStech.

Major Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are 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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Continued)

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

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.

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 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.

Common Core Statewide Initiatives – This program develops the Common Core, a set of clear college and career ready standards for Kindergarten through 12th grade in English language arts/literacy and mathematics. The standards are designed to ensure that students graduating from high school are prepared to take credit bearing courses in a two or four year college program or enter the work force.

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's 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 THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Major Special Revenue Funds (Continued)

Education Fund (Continued)

Math and Science 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.

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

Title II – Teacher Quality – Leadership – This program accounts for grant monies received for and in payment of expenditures to provide online training that is required by the Illinois Performance Evaluation Reform Act to train education administrators to evaluate other administrators and teachers. The program is designed to increase the number of highly qualified administrators and teachers, leading to increased student academic achievement.

Principal Preparation and Evaluation – This program is designed to assist with principal programs and the approval process of such, provide assistance and support services to Division personnel including technical support and training, and work with other ISBE personnel on educator preparation matters.

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.

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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

Major Special Revenue Funds (Concluded)

Education Fund (Concluded)

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.

American Institute of Research – This funding is received from a subcontract with AIR, to provide school improvement services via the Center for School improvement in connection with the Title I program.

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

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.

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:

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Concluded)

PROPRIETARY FUNDS (Concluded)

Proprietary Funds (Concluded)

Staff Development Center 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:

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 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.

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.

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.

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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. GOVERNMENTAL FUND BALANCES

Governmental fund equity is classified as fund balance. Fund balance is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in a Governmental Fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

Nonspendable Fund Balance – The portion of a governmental fund’s net position that is not available to be spent, either short term or long term, due to either their form or legal restrictions. The following Major Special Revenue Fund has a nonspendable fund balance: American Institute of Research.

Restricted Fund Balance – The portion of a governmental fund’s net position that is subject to external enforceable legal restrictions. The following accounts’ fund balances are restricted by grant agreements or contracts: State and Federal School Breakfast and Lunch, Principal Preparation and Evaluation, and Reading Initiative. The following funds are restricted by Illinois Statute: Institute Fund, Cook County General Education Development, and Bus Driver Training funds.

Committed Fund Balance – The portion of a governmental fund’s net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #51 has no committed fund balances.

Assigned Fund Balance – The portion of a governmental fund’s net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following General Fund accounts have assigned fund balances: General State Aid – Truants Alternative Optional Education Program and General State Aid – Regional Safe Schools.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: Local, Administrative Discretionary, Continuum of Learning, General Education Development Holistic Scoring, and WestEd. The following Nonmajor Special Revenue Fund has an unassigned fund balance: General Education Development Certificate.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. NET POSITION

Equity is classified as net position and displayed in three components:

Investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

K. 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 (investments with a maturity date of three months or less). All interest income is recognized as revenue in the appropriate fund’s Statement of Revenues, Expenditures, and Changes in Fund Balance.

L. 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.

M. 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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

N. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

GASB Statement No. 65 reclassified as deferred outflows of resources or deferred inflows of resources certain items that were previously reported as assets and liabilities. Decreases in net assets that relate to future periods are reported as deferred outflows of resources. Increases in net assets that relate to future periods are reported as deferred inflows of resources. When an asset is recorded in the governmental fund financial statements but the revenue is not available, the Regional Office reports a deferred inflow of resources until such time as the revenue becomes available. *Available* means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are not available if they are received more than 60 days after the end of the fiscal year.

O. 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, 2014. For the year ended June 30, 2014, management has determined that the current year accrual of vacation time is immaterial to the financial statements; therefore, this amount has not been accrued.

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.

P. BUDGET INFORMATION

The Regional Office of Education #51 acts as the administrative agent for certain grant programs that are accounted for in the Education Fund. 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 Funds 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: Regional Safe Schools, Area III – Homeless Liaison Project, Sangamon County Truants Alternative Optional Education Program, Common Core Statewide Initiatives, System of Support, Title II – Teacher Quality, Title II – Teacher Quality – Leadership, and ROE/ISC Operations.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, the carrying amount of the Regional Office of Education #51’s government-wide and Agency fund deposits were \$815,901 and \$144,569, respectively, and the bank balances were \$990,734 and \$185,918, respectively. Of the total bank balances as of June 30, 2014, \$250,000 was insured by Federal Depository Insurance Corporation, \$56,661 was invested in the Illinois Funds Money Market Fund, and \$869,991 was collateralized by securities pledged by the Regional Office of Education #51’s financial institution in the name of the Regional Office.

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.

B. INVESTMENTS

The Regional Office of Education #51’s investment policy requires that funds should be invested solely in investments authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7. As noted above, the Regional Office of Education #51 had \$56,661 invested in the Illinois Funds Money Market Fund at June 30, 2014. The Regional Office of Education #51 also had investments with a carrying value of \$296,598 invested in money market funds and municipal bonds with a local financial institution.

As of June 30, 2015 the Regional Office of Education #51 has the following investments and maturities.

Investment Type	Fair Value	Less than 1 Year	1 - 5 Years	6 - 10 Years	More than 10 Years
U.S. Agency Obligations	\$ 58,593	\$ -	\$ -	\$ -	\$ 58,593
Municipal Bond Obligations	235,919	-	15,859	159,677	60,383
Total Debt Securities	294,512	\$ -	\$ 15,859	\$ 159,677	\$ 118,976
Money Market Funds	2,086				
Total Investments	\$ 296,598				

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 – CASH (Concluded)

B. INVESTMENTS (Concluded)

CREDIT RISK

At June 30, 2014, the Illinois Funds Money Market Fund had a Standard and Poor’s AAAM 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.

The following table presents the quality ratings of debt securities held by the Regional Office of Education #51 as of June 30, 2015.

<u>Investment Type</u>	<u>Moody's Quality Rating</u>	<u>Fair Value</u>
Municipal Bond Obligations	A2	\$ 67,580
	NR	168,339
Total Municipal Bond Obligations		<u>235,919</u>
U.S. Agency Obligations	NR	<u>58,593</u>
Total Debt Securites		<u><u>\$ 294,512</u></u>

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.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 online at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #51’s Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 12.05 percent. 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. The required contribution for calendar year 2013 was \$51,450.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 51,450	100%	\$ 0
12/31/12	51,619	100%	0
12/31/11	52,746	100%	0

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, 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 Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #51’s plan’s unfunded actuarial accrued liability at December 31, 2011, is being amortized as a level percentage of projected payroll on an open 10-year basis.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 89.37 percent funded. The actuarial accrued liability for benefits was \$886,926 and the actuarial value of assets was \$792,604, resulting in an underfunded actuarial accrued liability (UAAL) of \$94,322. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$426,975 and the ratio of the UAAL to the covered payroll was 22 percent.

The schedule of funding progress, presented as required supplementary information (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 Sangamon County Regional Office of Education #51 participates in the Teachers’ Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

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

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

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

On behalf contributions. The State of Illinois makes employer pension contributions on behalf of the Sangamon County Regional Office of Education #51. For the year ended June 30, 2014, State of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds and the Sangamon County Regional Office of Education #51 recognized revenue and expenditures of \$267,283 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the State of Illinois contribution rates were 28.05 percent (\$157,383) and 24.91 percent (\$138,761), respectively.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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

The Sangamon County 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 ended June 30, 2014 were \$6,943. Contributions for the years ending June 30, 2013 and June 30, 2012, were \$2,068 and \$2,117, respectively.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the Sangamon County Regional Office of Education #51, there is a statutory requirement for the Sangamon County 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 has been in effect since 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. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer pension contribution was 28.05 and 24.91 percent, respectively. For the year ended June 30, 2014 salaries totaling \$650,244 were paid from federal and special trust funds that required employer contributions of \$230,251. For the years ended June 30, 2013 and June 30, 2012, the Sangamon County Regional Office of Education #51 had no required contributions.

Early Retirement Option. The Sangamon County 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.

The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement.

For the years ended, June 30, 2014, 2013, and 2012 the Regional Office of Education #51 paid no employer ERO contributions.

Salary increases over 6 percent and excess sick leave. If the Sangamon County 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 Sangamon County 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 years ended June 30, 2014, 2013, and 2012 the Sangamon County Regional Office of Education #51 paid no employer contributions to TRS due on salary increases in excess of 6 percent.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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

If the Sangamon County 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 Sangamon County 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 rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the years ended June 30, 2014, 2013, and 2012 the Sangamon County Regional Office of Education #51 paid no employer contributions to TRS for sick leave days granted in excess of the normal annual allotment.

Further information on TRS. TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

The reports may be obtained by writing to the Teachers’ Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at <http://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 retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers’ Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

The percentage of employer required contributions in the future 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 THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 – TEACHERS’ HEALTH INSURANCE SYSTEM (Concluded)

On behalf contributions. The State of Illinois makes employer retiree health insurance contributions on behalf of Regional Office of Education #51. State contributions are intended to match contributions to THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$11,612, and Regional Office of Education #51 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012, were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of the Regional Office of Education #51 employees were \$3,280 and \$3,154, respectively.

Employer contributions to THIS Fund. The Regional Office of Education #51 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.72 percent during the year ended June 30, 2014 and 0.69 and 0.66 percent during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the Regional Office of Education #51 paid \$8,619 to the THIS Fund. For the years ended June 30, 2013 and 2012, the Regional Office of Education #51 paid \$2,460 and \$2,365, 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 found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE

The Regional Office of Education #51 provides other limited health care insurance coverage for its eligible retired employees. The Governmental Accounting Standards Board (GASB) issued Statements No. 43 and 45 that established generally accepted accounting principles for the annual financial statement for postemployment benefit plans other than pension plans. GASB Statement No. 45 is implemented prospectively. The required information is as follows:

Membership in the plan consisted of the following as of:

	<u>June 30, 2014</u>
Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	5
Active nonvested plan members	21
Total	26
Number of participating employers	1

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

ANNUAL OPEB COST AND NET OPEB OBLIGATION

	<u>June 30, 2014</u>
Annual required contribution	\$ 2,342
Interest on net OPEB obligation	93
Adjustment to annual required contribution	<u>(75)</u>
Annual OPEB cost	2,360
Contributions made	<u>-</u>
Increase (decrease) in net OPEB obligation	2,360
Net OPEB obligation beginning of year	<u>2,326</u>
Net OPEB obligation end of year	<u><u>\$ 4,686</u></u>

The net OPEB obligation of \$4,686 has not been recorded as a liability in the Regional Office of Education #51's accounting records.

THREE-YEAR TREND INFORMATION

Fiscal Year <u>Ending</u>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 2,360	0.00%	\$ 4,686
6/30/2013	-	-	2,326
6/30/2012	-	-	-

ANNUAL REQUIRED CONTRIBUTION

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Service cost	\$ 2,718	\$ 1,760
Amortization	728	470
Interest	<u>138</u>	<u>112</u>
Annual required contribution	<u><u>\$ 3,584</u></u>	<u><u>\$ 2,342</u></u>

FUNDING POLICY AND ACTUARIAL ASSUMPTIONS

The last actuarial valuation was completed three years ago (06/30/2011). The Net OPEB Obligation has been updated through 06/30/2014. The Investment Rate of Return and Projected Salary Increases Assumptions have been reduced to 4.0% from 5.0%. The Healthcare Inflation Rate Assumption has been reduced to 7.5% from 8.0% (initial) and to 5.5% from 6.0% (ultimate). The current premiums have increased 12.2%.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE (Concluded)

Contribution rates:

Employer	
Plan members	0.00%
Actuarial valuation date	6/30/2014
Actuarial cost method	Entry age
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases	4.00%
Healthcare inflation rate	7.50% initial, 5.50% ultimate (0.5% reduction per year)

Mortality, turnover, disability, retirement ages Same rates utilized for IMRF

Active utilization rate: 20%

Employer provided benefit Explicit: None
Implicit: 50% of premium to age 65
(50% of \$481/mo + 50% of \$962/mo)

* Includes inflation at 3.00%

GASB 45 SUMMARY AS OF JUNE 30, 2014

<u>Division</u>	<u>Service Cost</u>	<u>Active Liability</u>	<u>Retired Liability</u>	<u>Total Liability</u>	<u>Annual Required Contribution</u>	<u>Expected Payments</u>	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
All	\$2,718	\$11,979	\$ 9,862	\$21,841	\$ 3,584	\$ -	26	-	26

Discount Rate: 4.0%

Medical Inflation Rate: 7.5% initial, 5.5% ultimate

Future Payroll Increases: 4.0%

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7 – OPERATING LEASES

The Regional Office of Education #51 leases classroom, office, and laboratory space. During fiscal year 2014, the Regional Office had three separate leases for 6,333 square feet, 4,040 square feet, and 2,105 square feet, all leased at \$7.67 per square foot. Additionally, the Regional Office leased office space in Evanston, Illinois, for \$3,923 per month for fiscal year 2014. Rent expense for the year ended June 30, 2014, was \$142,782. The Regional Office also leases a copier over a 60-month term ending May 2016 which requires monthly payments of \$182, a digital imaging system over a 60-month term ending November 2018 which requires monthly payments of \$179, a copier leased month to month, a postage meter leased month to month, and a postage meter leased over a 60-month term ending December 2014 which requires monthly payments of \$60. Total equipment lease expense for the year ended June 30, 2014, was \$5,052. Future minimum rentals are as follows for the years ending June 30:

2015	\$ 4,692
2016	4,150
2017	2,148
2018	2,148
2019	716
	<u>\$ 13,854</u>

NOTE 8 – 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 9 – 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 Position. 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 capital assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2014:

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 – CAPITAL ASSETS (Concluded)

	Balance 07/01/13	Additions	Disposals	Balance 06/30/14
Governmental Activities				
Capital Assets, Being Depreciated				
Computer Equipment	\$ 80,450	\$ 6,662	\$ -	\$ 87,112
Other Equipment	38,222	-	-	38,222
Total	<u>118,672</u>	<u>6,662</u>	<u>-</u>	<u>125,334</u>
Less Accumulated Depreciation for:				
Computer Equipment	(74,317)	(2,599)	-	(76,916)
Other Equipment	(38,783)	-	-	(38,783)
Total	<u>(113,100)</u>	<u>(2,599)</u>	<u>-</u>	<u>(115,699)</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 5,572</u>	<u>\$ 4,063</u>	<u>\$ -</u>	<u>\$ 9,635</u>
Business-Type Activities				
Capital Assets, Being Depreciated				
Other equipment	\$ 11,912	\$ -	\$ -	\$ 11,912
Less Accumulated Depreciation for:				
Other equipment	<u>(8,911)</u>	<u>(2,382)</u>	<u>-</u>	<u>(11,293)</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 3,001</u>	<u>\$ (2,382)</u>	<u>\$ -</u>	<u>\$ 619</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2014, of \$2,599 and \$2,382 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 position that reports capital assets net of accumulated depreciation.

NOTE 10 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2014, consist of the following individual due to/from other funds in the governmental fund Balance Sheet. These balances were eliminated in the government-wide Statement of Net Position.

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10 – INTERFUND ACTIVITY (Concluded)

DUE TO/FROM OTHER FUNDS (Concluded)

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Funds	\$ 376,243	\$ 91,135
Education Funds	35,975	302,471
Nonmajor Special Revenue Funds	-	42,094
Proprietary Funds	23,482	-
	<u>\$ 435,700</u>	<u>\$ 435,700</u>

TRANSFERS

Interfund transfers in/out to other fund balances at June 30, 2014, 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 business-type Statement of Revenues, Expenses and Changes in Fund Net Position. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

	<u>Transfer In</u>	<u>Transfer Out</u>
General Funds	\$ 159,226	\$ 38,101
Education Funds	40,814	86,581
Cook County General Education Development	-	72,641
Nonmajor Special Revenue Funds	-	2,617
Proprietary Funds	-	100
	<u>\$ 200,040</u>	<u>\$ 200,040</u>

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	\$109,464
Assistant Regional Superintendent Salary	98,544
Regional Superintendent Benefits (Includes State-paid insurance)	31,840
Assistant Regional Superintendent Benefits (Includes State paid insurance)	21,647
TRS Pension Contribution	267,283
Teachers' Health Insurance Security (THIS) Fund Contribution	<u>11,612</u>
Total	<u>\$540,390</u>

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 11 – ON-BEHALF PAYMENTS (Concluded)

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, 2014, were as follows:

Salaries and benefits	\$ 243,099
Purchased services	11,791
Supplies and materials	<u>2,071</u>
 Total	 <u>\$ 256,961</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 position and funds which over expend appropriations during the year are required to be disclosed.

The following funds/fund accounts had deficit fund balances at June 30, 2014:

	<u>Amount</u>
<u>General Funds</u>	
WestEd	\$ 888
<u>Nonmajor Special Revenue Funds</u>	
General Education Development Certificate	\$ 41,741

NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS

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

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS (Concluded)

Due from Other Governments:

<u>General Funds</u>	
Local Governments	\$ 102,885
<u>Education Funds</u>	
Illinois State Board of Education	147,571
Federal Government	202,970
<u>Nonmajor Special Revenue Funds</u>	
Local Governments	1,311
<u>Proprietary Funds</u>	
Local Governments	<u>2,530</u>
Total	<u>\$ 457,267</u>

Due to Other Governments:

<u>Education Funds</u>	
State Governments	\$ 24,688
Federal Government	14,353
<u>Cook County General Education Development</u>	
Local Governments	109,053
<u>Agency Funds</u>	
Local Governments	<u>144,569</u>
Total	<u>\$ 292,663</u>

NOTE 14 – REGIONAL OFFICE OF EDUCATION CONSOLIDATION

On November 22, 2013 the Illinois State Board of Education adopted a motion pursuant to its obligation under 105 ILCS 5/3A-4(a), which recognizes consolidations agreed to via county board resolutions prior to June 30, 2013. Effective July 1, 2015, Logan County will be included with the Regional Office of Education #51.

NOTE 15 – RECLASSIFICATION

In prior years, a cash adjustment provided by the Regional Office of Education #51 during audit work was assumed to be recorded by the Regional Office prior to submission to the auditors. However, no adjustment was recorded by the Regional Office, presenting the need for an adjustment in the current year to correct these prior year issues. Fund balance in the Administrative Discretionary Fund was increased to reflect the necessary adjustment.

In prior years, expenses for the program year 2013 Title II – Teacher Quality – Leadership grant were recorded as Institute Fund expenses rather than being segregated in a separate fund. The expenses would have been allowable Institute Fund expenses; however, the expenses were reported as grant expenses. In the current year, fund balance in the Institute Fund was reduced by the amount of expenses incorrectly coded.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 15 – RECLASSIFICATION (Concluded)

Following is the effects of these reclassifications on the beginning fund balances for the General Fund and Institute Fund and the beginning net position for Governmental Activities:

General Fund:

Fund Balance - July 1, 2013	\$ 802,144
Effect of cash adjustment	2,730
Fund Balance - July 1, 2013, Restated	<u>\$ 804,874</u>

Institute Fund:

Fund Balance - July 1, 2013	\$ 250,356
Effect of reclassification of prior year expenses	3,400
Fund Balance - July 1, 2013, Restated	<u>\$ 253,756</u>

Governmental Activities:

Net Position - July 1, 2013	\$ 1,102,669
Effect of cash adjustment and reclassification of prior year expenses noted above	6,130
Net Position - July 1, 2013, Restated	<u>\$ 1,108,799</u>

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, 2014

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)
12/31/13	\$792,604	\$886,926	\$94,322	89.37%	\$426,975	22.09%
12/31/12	854,916	938,352	83,436	91.11%	472,701	17.65%
12/31/11	749,092	892,378	143,286	83.94%	484,357	29.58%

On a market value basis, the actuarial value of assets as of December 31, 2013, is \$902,650. On a market basis, the funded ratio would be 101.77%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Truants Alternative & Optional Education Program. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 OTHER POST-EMPLOYMENT BENEFITS - HEALTH INSURANCE
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2014

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)
6/30/14	\$ -	\$ 21,841	\$ 21,841	-	\$ -	-
6/30/13	-	14,102	14,102	-	-	-
6/30/12	-	14,102	14,102	-	-	-

OTHER SUPPLEMENTARY INFORMATION

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2014

	Local	Administrative Discretionary	Continuum of Learning	General State Aid - Truants Alternative Optional Education Program	General State Aid - Regional Safe Schools	General Education Development Holistic Scoring	WestEd	TOTALS
ASSETS								
Investments	\$ -	\$ 98,866	\$ -	\$ 98,866	\$ 98,866	\$ -	\$ -	\$ 296,598
Due from other funds	2,395	125,316	8,251	111,492	117,021	11,768	-	376,243
Due from other governments								
Local	-	12,554	-	-	-	-	90,331	102,885
TOTAL ASSETS	\$ 2,395	\$ 236,736	\$ 8,251	\$ 210,358	\$ 215,887	\$ 11,768	\$ 90,331	\$ 775,726
LIABILITIES								
Accounts payable	\$ 17	\$ -	\$ -	\$ 3,597	\$ 7,041	\$ 438	\$ 84	\$ 11,177
Accrued payroll and benefits	-	-	-	36,660	4,760	-	-	41,420
Due to other funds	-	-	-	-	-	-	91,135	91,135
Total Liabilities	17	-	-	40,257	11,801	438	91,219	143,732
FUND BALANCE (DEFICIT)								
Assigned	-	-	-	170,101	204,086	-	-	374,187
Unassigned	2,378	236,736	8,251	-	-	11,330	(888)	257,807
Total Fund Balance (Deficit)	2,378	236,736	8,251	170,101	204,086	11,330	(888)	631,994
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 2,395	\$ 236,736	\$ 8,251	\$ 210,358	\$ 215,887	\$ 11,768	\$ 90,331	\$ 775,726

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, 2014

	Local	Administrative Discretionary	Continuum of Learning	General State Aid - Truants Alternative Optional Education Program	General State Aid - Regional Safe Schools	General Education Development Holistic Scoring	WestEd	TOTALS
REVENUES								
Local sources	\$ 11,683	\$ 37,619	\$ 4,500	\$ 6,445	\$ -	\$ 20,449	\$ 250,229	\$ 330,925
On-behalf payments - Local	256,961	-	-	-	-	-	-	256,961
State sources	-	-	-	298,044	83,969	-	-	382,013
On-behalf payments - State	540,390	-	-	-	-	-	-	540,390
Total Revenues	809,034	37,619	4,500	304,489	83,969	20,449	250,229	1,510,289
EXPENDITURES								
Salaries and benefits	14,847	72,576	703	235,178	84,118	35,045	218,689	661,156
Purchased services	8,075	79,414	3	60,499	116,019	481	23,672	288,163
Supplies and materials	1,739	37,038	-	5,850	451	1,611	3,196	49,885
Other objects	80	-	-	-	-	-	-	80
Capital outlay	-	1,102	-	-	-	-	5,560	6,662
On-behalf payments - Local	256,961	-	-	-	-	-	-	256,961
On-behalf payments - State	540,390	-	-	-	-	-	-	540,390
Total Expenditures	822,092	190,130	706	301,527	200,588	37,137	251,117	1,803,297
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES								
	(13,058)	(152,511)	3,794	2,962	(116,619)	(16,688)	(888)	(293,008)
OTHER FINANCING SOURCES (USES)								
Transfer in	-	140,559	-	-	-	18,667	-	159,226
Transfer out	-	-	-	(715)	(37,386)	-	-	(38,101)
Interest	49	722	-	530	1,107	-	-	2,408
Unrealized investment losses	-	(1,135)	-	(1,135)	(1,135)	-	-	(3,405)
Total Other Financing Sources (Uses)	49	140,146	-	(1,320)	(37,414)	18,667	-	120,128
NET CHANGE IN FUND BALANCE (DEFICIT)								
	(13,009)	(12,365)	3,794	1,642	(154,033)	1,979	(888)	(172,880)
FUND BALANCE (DEFICIT) - BEGINNING, RESTATED (See Note 15)								
	15,387	249,101	4,457	168,459	358,119	9,351	-	804,874
FUND BALANCE (DEFICIT) - ENDING								
	\$ 2,378	\$ 236,736	\$ 8,251	\$ 170,101	\$ 204,086	\$ 11,330	\$ (888)	\$ 631,994

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2014

	Regional Safe Schools	Area III - Homeless Liaison Project	Sangamon County Truants Alternative Optional Education Program	Common Core Statewide Initiatives	State and Federal School Breakfast and Lunch
ASSETS					
Cash and cash equivalents	\$ 1,070	\$ -	\$ -	\$ 352,170	\$ 13,233
Accounts receivable	-	-	-	40	-
Prepaid expenses	-	-	-	-	-
Due from other funds	-	-	-	35,975	-
Due from other governments:					
State	8,910	-	33,424	-	4,614
Federal	-	7,583	-	-	-
TOTAL ASSETS	\$ 9,980	\$ 7,583	\$ 33,424	\$ 388,185	\$ 17,847
LIABILITIES					
Accounts payable	\$ 503	\$ 648	\$ -	\$ 146,191	\$ -
Accrued payroll and benefits	9,477	213	14,997	-	-
Due to other funds	-	6,722	18,427	-	-
Due to other governments:					
State	-	-	-	24,688	-
Federal	-	-	-	-	-
Unearned revenue	-	-	-	217,306	-
Total Liabilities	9,980	7,583	33,424	388,185	-
FUND BALANCE (DEFICIT)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	17,847
Total Fund Balance (Deficit)	-	-	-	-	17,847
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 9,980	\$ 7,583	\$ 33,424	\$ 388,185	\$ 17,847

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2014

	System of Support	Math and Science Initiatives	Title II - Teacher Quality	Title II - Teacher Quality - Leadership	Principal Preparation and Evaluation
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 3,884
Accounts receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments:					
State	-	-	-	-	-
Federal	175,050	17,500	537	2,300	-
TOTAL ASSETS	\$ 175,050	\$ 17,500	\$ 537	\$ 2,300	\$ 3,884
LIABILITIES					
Accounts payable	\$ 78,765	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	1,400	-	-	-	-
Due to other funds	80,532	17,500	537	2,300	-
Due to other governments:					
State	-	-	-	-	-
Federal	14,353	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	175,050	17,500	537	2,300	-
FUND BALANCE (DEFICIT)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	3,884
Total Fund Balance (Deficit)	-	-	-	-	3,884
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 175,050	\$ 17,500	\$ 537	\$ 2,300	\$ 3,884

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2014

	ISBE Initiatives	Reading Initiative	ROE/ISC Operations	American Institute of Research	TOTALS
ASSETS					
Cash and cash equivalents	\$ 33,455	\$ 15,104	\$ -	\$ -	\$ 418,916
Accounts receivable	-	-	-	188,650	188,690
Prepaid expenses	-	-	-	3,717	3,717
Due from other funds	-	-	-	-	35,975
Due from other governments:					
State	-	100,623	-	-	147,571
Federal	-	-	-	-	202,970
TOTAL ASSETS	\$ 33,455	\$ 115,727	\$ -	\$ 192,367	\$ 997,839
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,394	\$ 227,501
Accrued payroll and benefits	-	8,033	-	-	34,120
Due to other funds	-	-	-	176,453	302,471
Due to other governments:					
State	-	-	-	-	24,688
Federal	-	-	-	-	14,353
Unearned revenue	33,455	-	-	10,803	261,564
Total Liabilities	33,455	8,033	-	188,650	864,697
FUND BALANCE (DEFICIT)					
Nonspendable	-	-	-	3,717	3,717
Restricted	-	107,694	-	-	129,425
Total Fund Balance (Deficit)	-	107,694	-	3,717	133,142
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 33,455	\$ 115,727	\$ -	\$ 192,367	\$ 997,839

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, 2014

	Regional Safe Schools	Area III - Homeless Liaison Project	Sangamon County Truants Alternative Optional Education Program	Common Core Statewide Initiatives	State and Federal School Breakfast and Lunch
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	98,690	-	183,814	591,241	582
Federal sources	-	38,531	-	-	29,685
Total Revenues	<u>98,690</u>	<u>38,531</u>	<u>183,814</u>	<u>591,241</u>	<u>30,267</u>
EXPENDITURES					
Salaries and benefits	133,859	30,042	182,028	-	-
Purchased services	2,648	1,482	2,892	4,360	21,667
Supplies and materials	785	1,387	809	3,382	-
Payments to other governments	-	-	-	564,870	-
Total Expenditures	<u>137,292</u>	<u>32,911</u>	<u>185,729</u>	<u>572,612</u>	<u>21,667</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(38,602)</u>	<u>5,620</u>	<u>(1,915)</u>	<u>18,629</u>	<u>8,600</u>
OTHER FINANCING SOURCES (USES):					
Transfer in	38,602	16	1,915	-	-
Transfer out	-	-	-	(18,629)	-
Interest	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>38,602</u>	<u>16</u>	<u>1,915</u>	<u>(18,629)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>-</u>	<u>5,636</u>	<u>-</u>	<u>-</u>	<u>8,600</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>(5,636)</u>	<u>-</u>	<u>-</u>	<u>9,247</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,847</u>

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, 2014

	System of Support	Math and Science Initiatives	Title II - Teacher Quality	Title II - Teacher Quality - Leadership	Principal Preparation and Evaluation
REVENUES					
Local sources	\$ -	\$ 65,358	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	452,963	-	1,593	14,955	-
Total Revenues	<u>452,963</u>	<u>65,358</u>	<u>1,593</u>	<u>14,955</u>	<u>-</u>
EXPENDITURES					
Salaries and benefits	158,953	56,732	-	355	-
Purchased services	186,040	8,412	-	14,600	-
Supplies and materials	986	-	1,593	-	-
Payments to other governments	106,984	-	-	-	-
Total Expenditures	<u>452,963</u>	<u>65,144</u>	<u>1,593</u>	<u>14,955</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>214</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfer in	-	-	-	-	-
Transfer out	-	(214)	-	-	-
Interest	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(214)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,884</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,884</u>

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, 2014

	ISBE Initiatives	Reading Initiative	ROE/ISC Operations	American Institute of Research	TOTALS
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 996,849	\$ 1,062,207
State sources	-	170,373	36,979	-	1,081,679
Federal sources	-	-	-	-	537,727
Total Revenues	-	170,373	36,979	996,849	2,681,613
EXPENDITURES					
Salaries and benefits	-	103,839	31,410	876,766	1,573,984
Purchased services	-	2,407	5,850	58,346	308,704
Supplies and materials	-	44	-	782	9,768
Payments to other governments	-	-	-	-	671,854
Total Expenditures	-	106,290	37,260	935,894	2,564,310
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	64,083	(281)	60,955	117,303
OTHER FINANCING SOURCES (USES):					
Transfer in	-	-	281	-	40,814
Transfer out	-	(10,500)	-	(57,238)	(86,581)
Interest	-	76	-	-	76
Total Other Financing Sources (Uses)	-	(10,424)	281	(57,238)	(45,691)
NET CHANGE IN FUND BALANCE (DEFICIT)	-	53,659	-	3,717	71,612
FUND BALANCE (DEFICIT) - BEGINNING	-	54,035	-	-	61,530
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ 107,694	\$ -	\$ 3,717	\$ 133,142

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 98,690	\$ 98,690	\$ 98,690
Total Revenue	<u>98,690</u>	<u>98,690</u>	<u>98,690</u>
EXPENDITURES			
Salaries and benefits	93,477	93,477	133,859
Purchased services	4,400	4,400	2,648
Supplies and materials	350	350	785
Total Expenditures	<u>98,227</u>	<u>98,227</u>	<u>137,292</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>463</u>	<u>463</u>	<u>(38,602)</u>
OTHER FINANCING SOURCES (USES):			
Transfer out	(463)	(463)	-
Transfer in	-	-	38,602
Total Other Financing Sources (Uses)	<u>(463)</u>	<u>(463)</u>	<u>38,602</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
AREA III - HOMELESS LIAISON PROJECT
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 37,877	\$ 37,877	\$ 38,531
Total Revenue	<u>37,877</u>	<u>37,877</u>	<u>38,531</u>
EXPENDITURES			
Salaries and benefits	35,685	35,361	30,042
Purchased services	2,192	1,116	1,482
Supplies and materials	-	1,400	1,387
Total Expenditures	<u>37,877</u>	<u>37,877</u>	<u>32,911</u>
EXCESS OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>5,620</u>
OTHER FINANCING SOURCES:			
Transfer in	-	-	16
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>16</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	-	-	5,636
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>(5,636)</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
SANGAMON COUNTY TRUANTS ALTERNATIVE OPTIONAL EDUCATION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 183,814	\$ 183,814	\$ 183,814
Total Revenue	<u>183,814</u>	<u>183,814</u>	<u>183,814</u>
EXPENDITURES			
Salaries and benefits	183,063	182,217	182,028
Purchased services	751	1,200	2,892
Supplies and materials	-	397	809
Total Expenditures	<u>183,814</u>	<u>183,814</u>	<u>185,729</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(1,915)</u>
OTHER FINANCING SOURCES:			
Transfer in	-	-	1,915
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>1,915</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
COMMON CORE STATEWIDE INITIATIVES
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 831,411	\$ 831,411	\$ 591,241
Total Revenue	<u>831,411</u>	<u>831,411</u>	<u>591,241</u>
EXPENDITURES			
Salaries and benefits	448,571	22,461	-
Purchased services	13,000	4,763	4,360
Supplies and materials	369,840	3,382	3,382
Approved indirect costs	-	18,707	-
Payments to other governments	-	782,098	564,870
Total Expenditures	<u>831,411</u>	<u>831,411</u>	<u>572,612</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>18,629</u>
OTHER FINANCING USES:			
Transfer out	-	-	(18,629)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(18,629)</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
SYSTEM OF SUPPORT
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 845,818	\$ 845,818	\$ 452,963
Total Revenue	<u>845,818</u>	<u>845,818</u>	<u>452,963</u>
EXPENDITURES			
Salaries and benefits	169,267	169,267	158,953
Purchased services	228,301	228,301	186,040
Supplies and materials	1,500	1,500	986
Capital outlay	500	500	-
Payments to other governments	446,250	446,250	106,984
Total Expenditures	<u>845,818</u>	<u>845,818</u>	<u>452,963</u>
EXCESS OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TITLE II - TEACHER QUALITY (13-4932)
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 1,029	\$ 1,029	\$ 1,029
Total Revenue	<u>1,029</u>	<u>1,029</u>	<u>1,029</u>
EXPENDITURES			
Supplies and materials	1,029	1,029	1,029
Total Expenditures	<u>1,029</u>	<u>1,029</u>	<u>1,029</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TITLE II - TEACHER QUALITY (14-4932)
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 537	\$ 537	\$ 564
Total Revenue	<u>537</u>	<u>537</u>	<u>564</u>
EXPENDITURES			
Salaries and benefits	3,441	8,596	-
Purchased services	-	2,300	-
Supplies and materials	537	537	564
Payments to other governments	10,247	10,247	-
Total Expenditures	<u>14,225</u>	<u>21,680</u>	<u>564</u>
EXCESS OF REVENUES OVER EXPENDITURES			
	<u>(13,688)</u>	<u>(21,143)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u><u>\$ (13,688)</u></u>	<u><u>\$ (21,143)</u></u>	<u><u>\$ -</u></u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TITLE II - TEACHER QUALITY - LEADERSHIP
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 7,455	\$ 7,455	\$ 14,955
Total Revenue	<u>7,455</u>	<u>7,455</u>	<u>14,955</u>
EXPENDITURES			
Salaries and benefits	355	355	355
Purchased services	7,100	7,100	14,600
Total Expenditures	<u>7,455</u>	<u>7,455</u>	<u>14,955</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 36,979	\$ 36,979	\$ 36,979
Total Revenue	<u>36,979</u>	<u>36,979</u>	<u>36,979</u>
EXPENDITURES			
Salaries and benefits	30,400	30,400	31,410
Purchased services	6,579	6,579	5,850
Total Expenditures	<u>36,979</u>	<u>36,979</u>	<u>37,260</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(281)</u>
OTHER FINANCING SOURCES:			
Transfer in	-	-	281
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>281</u>
NET CHANGE IN FUND BALANCE (DEFICIT)			
	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	General Education Development Certificate	Bus Driver Training	Supervisory Expenses	TOTALS
ASSETS				
Cash and cash equivalents	\$ -	\$ 14,960	\$ -	\$ 14,960
Due from other governments - Local	791	520	-	1,311
TOTAL ASSETS	\$ 791	\$ 15,480	\$ -	\$ 16,271
LIABILITIES				
Accounts payable	\$ 438	\$ -	\$ -	\$ 438
Due to other funds	42,094	-	-	42,094
Total Liabilities	42,532	-	-	42,532
FUND BALANCE (DEFICIT)				
Restricted	-	15,480	-	15,480
Unassigned	(41,741)	-	-	(41,741)
Total Fund Balance (Deficit)	(41,741)	15,480	-	(26,261)
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 791	\$ 15,480	\$ -	\$ 16,271

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, 2014

	General Education Development Certificate	Bus Driver Training	Supervisory Expenses	TOTALS
REVENUES				
Local sources	\$ 21,947	\$ 5,148	\$ -	\$ 27,095
State sources	-	1,440	-	1,440
Total Revenues	<u>21,947</u>	<u>6,588</u>	<u>-</u>	<u>28,535</u>
EXPENDITURES				
Salaries and benefits	19,755	1,799	-	21,554
Purchased services	1,277	8	2,114	3,399
Supplies and materials	34	-	-	34
Total Expenditures	<u>21,066</u>	<u>1,807</u>	<u>2,114</u>	<u>24,987</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>881</u>	<u>4,781</u>	<u>(2,114)</u>	<u>3,548</u>
OTHER FINANCING USES				
Transfer out	<u>(2,617)</u>	<u>-</u>	<u>-</u>	<u>(2,617)</u>
Total Other Financing Uses	<u>(2,617)</u>	<u>-</u>	<u>-</u>	<u>(2,617)</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(1,736)	4,781	(2,114)	931
FUND BALANCE (DEFICIT) - BEGINNING	<u>(40,005)</u>	<u>10,699</u>	<u>2,114</u>	<u>(27,192)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (41,741)</u>	<u>\$ 15,480</u>	<u>\$ -</u>	<u>\$ (26,261)</u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		TOTALS
	SDC Workshop	Background Checks	
ASSETS			
Current assets:			
Due from other funds	\$ 6,062	\$ 17,420	\$ 23,482
Due from other governments:			
Local	-	2,530	2,530
Total Current Assets	<u>6,062</u>	<u>19,950</u>	<u>26,012</u>
Noncurrent assets:			
Capital assets, being depreciated, net	332	287	619
TOTAL ASSETS	<u>6,394</u>	<u>20,237</u>	<u>26,631</u>
LIABILITIES			
Accounts payable	-	1,891	1,891
Accrued payroll and benefits	201	-	201
TOTAL LIABILITIES	<u>201</u>	<u>1,891</u>	<u>2,092</u>
NET POSITION			
Investment in capital assets	332	287	619
Unrestricted	5,861	18,059	23,920
TOTAL NET POSITION	<u>\$ 6,193</u>	<u>\$ 18,346</u>	<u>\$ 24,539</u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		TOTALS
	SDC Workshop	Background Checks	
OPERATING REVENUES			
Charges for services	\$ 28,343	\$ 40,435	\$ 68,778
Total Operating Revenues	<u>28,343</u>	<u>40,435</u>	<u>68,778</u>
OPERATING EXPENSES			
Salaries and benefits	32,166	8,189	40,355
Purchased services	1,703	30,311	32,014
Supplies and materials	398	1,571	1,969
Other objects	370	-	370
Depreciation expense	660	1,722	2,382
Total Operating Expenses	<u>35,297</u>	<u>41,793</u>	<u>77,090</u>
OPERATING LOSS	(6,954)	(1,358)	(8,312)
NONOPERATING EXPENSE			
Transfer out	-	(100)	(100)
Total Nonoperating Expense	<u>-</u>	<u>(100)</u>	<u>(100)</u>
CHANGE IN NET POSITION	(6,954)	(1,458)	(8,412)
NET POSITION - BEGINNING	<u>13,147</u>	<u>19,804</u>	<u>32,951</u>
NET POSITION - ENDING	<u>\$ 6,193</u>	<u>\$ 18,346</u>	<u>\$ 24,539</u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		TOTALS
	SDC	Background	
	Workshop Fund	Checks	
Cash flows from operating activities:			
Receipts from customers	\$ 28,343	\$ 39,883	\$ 68,226
Payments to suppliers and providers of goods and services	(2,526)	(30,129)	(32,655)
Payments to employees	(32,184)	(8,189)	(40,373)
Net cash provided by (used for) operating activities	<u>(6,367)</u>	<u>1,565</u>	<u>(4,802)</u>
Cash flows from noncapital financing activities:			
Cash transfers to other funds	-	(100)	(100)
Increase in interfund borrowing, net	(6,062)	(17,420)	(23,482)
Net cash used for noncapital financing activities	<u>(6,062)</u>	<u>(17,520)</u>	<u>(23,582)</u>
Net decrease in cash and cash equivalents	(12,429)	(15,955)	(28,384)
Cash and cash equivalents - Beginning	<u>12,429</u>	<u>15,955</u>	<u>28,384</u>
Cash and cash equivalents - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating loss	\$ (6,954)	\$ (1,358)	\$ (8,312)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Increase in due from other governments	-	(552)	(552)
Depreciation expense	660	1,722	2,382
Increase (decrease) in accounts payable	(55)	1,753	1,698
(Decrease) in accrued payroll and benefits	(18)	-	(18)
Net cash provided by (used for) operating activities	<u>\$ (6,367)</u>	<u>\$ 1,565</u>	<u>\$ (4,802)</u>

SANGAMON COUNTY
 REGIONAL OFFICE OF EDUCATION #51
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2014

	Illinois Education and Technology Conference	Sangamon County Schoolmasters	Special Education Non-Public Conference	Sangamon County Learning Academy	Those Who Excel	TOTALS
ASSETS						
Cash and cash equivalents	\$ 117,159	\$ 5,839	\$ 9,649	\$ 5,644	\$ 6,278	\$ 144,569
TOTAL ASSETS	\$ 117,159	\$ 5,839	\$ 9,649	\$ 5,644	\$ 6,278	\$ 144,569
LIABILITIES						
Due to other governments	\$ 117,159	\$ 5,839	\$ 9,649	\$ 5,644	\$ 6,278	\$ 144,569
TOTAL LIABILITIES	\$ 117,159	\$ 5,839	\$ 9,649	\$ 5,644	\$ 6,278	\$ 144,569

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Balance Beginning of Year 7/1/13	Additions	Deductions	Balance End of Year 6/30/14
<u>ILLINOIS EDUCATION AND</u>				
<u>TECHNOLOGY CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 102,237	\$ 143,635	\$ 128,713	\$ 117,159
Total Assets	<u>\$ 102,237</u>	<u>\$ 143,635</u>	<u>\$ 128,713</u>	<u>\$ 117,159</u>
LIABILITIES				
Due to other governments	\$ 102,237	\$ 143,635	\$ 128,713	\$ 117,159
Total Liabilities	<u>\$ 102,237</u>	<u>\$ 143,635</u>	<u>\$ 128,713</u>	<u>\$ 117,159</u>
<u>SANGAMON COUNTY SCHOOLMASTERS</u>				
ASSETS				
Cash and cash equivalents	\$ 7,555	\$ 2,602	\$ 4,318	\$ 5,839
Total Assets	<u>\$ 7,555</u>	<u>\$ 2,602</u>	<u>\$ 4,318</u>	<u>\$ 5,839</u>
LIABILITIES				
Due to other governments	\$ 7,555	\$ 2,602	\$ 4,318	\$ 5,839
Total Liabilities	<u>\$ 7,555</u>	<u>\$ 2,602</u>	<u>\$ 4,318</u>	<u>\$ 5,839</u>
<u>SPECIAL EDUCATION NON-PUBLIC CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 9,123	\$ 34,490	\$ 33,964	\$ 9,649
Total Assets	<u>\$ 9,123</u>	<u>\$ 34,490</u>	<u>\$ 33,964</u>	<u>\$ 9,649</u>
LIABILITIES				
Due to other governments	\$ 9,123	\$ 34,490	\$ 33,964	\$ 9,649
Total Liabilities	<u>\$ 9,123</u>	<u>\$ 34,490</u>	<u>\$ 33,964</u>	<u>\$ 9,649</u>

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Balance Beginning of Year 7/1/13	Additions	Deductions	Balance End of Year 6/30/14
<u>SANGAMON COUNTY LEARNING</u>				
<u>ACADEMY FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 4,979	\$ 10,004	\$ 9,339	\$ 5,644
Total Assets	<u>\$ 4,979</u>	<u>\$ 10,004</u>	<u>\$ 9,339</u>	<u>\$ 5,644</u>
LIABILITIES				
Due to other governments	\$ 4,979	\$ 10,004	\$ 9,339	\$ 5,644
Total Liabilities	<u>\$ 4,979</u>	<u>\$ 10,004</u>	<u>\$ 9,339</u>	<u>\$ 5,644</u>
<u>THOSE WHO EXCEL</u>				
ASSETS				
Cash and cash equivalents	\$ 13,156	\$ 30,288	\$ 37,166	\$ 6,278
Total Assets	<u>\$ 13,156</u>	<u>\$ 30,288</u>	<u>\$ 37,166</u>	<u>\$ 6,278</u>
LIABILITIES				
Due to other governments	\$ 13,156	\$ 30,288	\$ 37,166	\$ 6,278
Total Liabilities	<u>\$ 13,156</u>	<u>\$ 30,288</u>	<u>\$ 37,166</u>	<u>\$ 6,278</u>
<u>TOTAL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 137,050	\$ 221,019	\$ 213,500	\$ 144,569
Total Assets	<u>\$ 137,050</u>	<u>\$ 221,019</u>	<u>\$ 213,500</u>	<u>\$ 144,569</u>
LIABILITIES				
Due to other governments	\$ 137,050	\$ 221,019	\$ 213,500	\$ 144,569
Total Liabilities	<u>\$ 137,050</u>	<u>\$ 221,019</u>	<u>\$ 213,500</u>	<u>\$ 144,569</u>

FEDERAL COMPLIANCE

SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION #51
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

<u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/13-6/30/14</u>
US Department of Education passed through Illinois State Board of Education			
Title I - Grants to Local Educational Agencies			
Title I - School Improvement and Accountability	84.010A	2014-4331-SS	\$ <u>452,963 (M)</u>
Improving Teacher Quality State Grants			
Title II - Teacher Quality	84.367A	2013-4932-00	1,029
Title II - Teacher Quality	84.367A	2014-4932-00	564
Title II - Teacher Quality - Leadership Grant	84.367A	2013-4935-02	11,500
Title II - Teacher Quality - Leadership Grant	84.367A	2014-4935-02	3,455
Total Improving Teacher Quality State Grants			<u>16,548</u>
Total US Department of Education passed through Illinois State Board of Education			<u>469,511</u>
US Department of Education passed through Regional Office of Education #26			
Education for Homeless Children and Youth			
McKinney Education for Homeless Children	84.196A	2014-4920-00	<u>32,911</u>
Total McKinney Education for Homeless Children			
Total US Department of Education passed through Regional Office of Education #26			<u>32,911</u>
US Department of Agriculture passed through Illinois State Board of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13-4210-00	2,748
National School Lunch Program	10.555	14-4210-00	14,200
School Breakfast Program	10.553	13-4220-00	1,380
School Breakfast Program	10.553	14-4220-00	6,789
Total Child Nutrition Cluster			<u>25,117</u>
Total US Department of Agriculture			<u>25,117</u>
Total Expenditures of Federal Awards			<u>\$ <u>527,539</u></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, 2014

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Sangamon County 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 on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUB-RECIPIENTS

Of the federal expenditures presented in the schedule, Sangamon County Regional Office of Education #51 provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Amount provided to subrecipients</u>
Title I - School Improvement and Accountability	84.010A	\$ 106,984

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Title I - School Improvement and Accountability - Accounts for monies received for, and payment of, expenditures of the Title I – School Improvement and Accountability Fund. This grant provides school districts with funds to carry out their school improvement and corrective action responsibilities under Section 1116 (c) of Title I while offering students in schools identified for improvement and corrective action the opportunity to transfer to another higher performing school, including a public charter within the district.

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

None