

State of Illinois
REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS,
EDGAR, MOULTRIE AND SHELBY COUNTIES
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
FOR THE YEAR ENDED JUNE 30, 2009

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 FOR THE YEAR ENDED JUNE 30, 2009

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REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES

AGENCY OFFICIALS

Regional Superintendent
(Current, Acting Effective July 1, 2009)

Mr. Nik Groothuis

Regional Superintendent
(During the Audit Period and Retired Effective June 30, 2009)

Mr. John McNary

Assistant Regional Superintendent
(Current, Acting Effective July 1, 2009)

Mr. Kevin Van Meter

Assistant Regional Superintendent
(During the Audit Period)

Mr. Nik Groothuis

Office is located at:

730 7th Street
Charleston, Illinois 61920

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR,
 MOULTRIE, AND SHELBY COUNTIES
 JUNE 30, 2009

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

Details of audit findings are presented in a separately tabbed report section.

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

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

09-01	12a	Controls Over Financial Statement Preparation	Material Weakness
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FINDINGS AND QUESTIONED COSTS (*FEDERAL COMPLIANCE*)

None

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

08-01	15	Inadequate Internal Control Procedures	Significant Deficiency
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PRIOR FINDINGS NOT REPEATED (*FEDERAL COMPLIANCE*)

None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on October 7, 2009. Attending were Nik Groothuis, Superintendent, Carole Halloran, Bookkeeper, Bruce Weisman, CPA, Staff, Kemper CPA Group, LLP and Tami Knight, CPA, Partner, Kemper CPA Group, LLP. Responses to the recommendations were provided by Mr. Groothuis.

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties Regional Office of Education #11 was performed by Kemper CPA Group LLP, CPAs.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #11's basic financial statements.



INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties Regional Office of Education #11, as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #11's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #11's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #11, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2010, on our consideration of the Regional Office of Education #11's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a through 16i and 47 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #11's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mattoon, Illinois
January 12, 2010



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #11, as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #11's basic financial statements and have issued our report thereon dated January 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #11's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education #11's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #11's internal control over financial reporting.

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

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 deficiency described in finding 09-01 in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #11's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters which we have reported to management of the Regional Office of Education #11 in a separate letter dated January 12, 2010.

Regional Office of Education #11's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Regional Office of Education #11's response and, accordingly, we express no opinion on it.

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mattoon, Illinois
January 12, 2010



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Regional Office of Education #11 with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Regional Office of Education #11's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Regional Office of Education #11's management. Our responsibility is to express an opinion on the Regional Office of Education #11's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Regional Office of Education #11's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Regional Office of Education #11's compliance with those requirements.

In our opinion, Regional Office of Education #11 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Regional Office of Education #11 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Regional Office of Education #11's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing

procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #11's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control

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

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mattoon, Illinois
January 12, 2010

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2009

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.367A	Standards Aligned Classroom – Statewide Professional Development
84.367A	Title II – Teacher Quality

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

Auditee qualified as a low-risk auditee? No

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, SHELBY COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Finding No. 09-01 – Controls Over Financial Statement Preparation (Repeat of Finding 08-02 & 07-03)

Criteria/specific requirement:

The Regional Office of Education #11 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #11 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, not all entries were made by the Regional Office of Education to reconcile their grant activity, such as posting grant receivables and deferred revenues.
- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles. This included the Regional Office not recording multiple adjusting entries from the prior year audit.

Effect:

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

Cause:

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

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, SHELBY COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Finding No. 09-01 – Controls Over Financial Statement Preparation (I Repeat of Finding 08-02 & 07-03) (Concluded)

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #11 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office of Education understands the nature of this finding and believes that the circumstance is not unusual in an organization of its size. The Regional Office accepts the degree of risk associated with the condition and believes that seeking additional accounting expertise in the form of another accounting firm or appropriately trained individual to prepare and/or review financial statements would reduce funds available to provide educational services for the schools in the region. To help address the lack of "sufficient internal controls over the financial reporting process," the Regional Office will seek appropriate training for its bookkeeping staff.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, SHELBY COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

INSTANCES OF NONCOMPLIANCE:

NONE

SIGNIFICANT DEFICIENCIES:

NONE

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2009

Corrective Action Plan

Finding No. 09-01 – Controls Over Financial Statement Preparation (Partial Repeat of Finding 08-02 & 07-03)

Condition:

The Regional Office of Education #11 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, not all entries were made by the Regional Office of Education to reconcile their grant activity, such as posting grant receivables and deferred revenues.
- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles. This included the Regional Office not recording multiple adjusting entries from the prior year audit.

Plan:

The Regional Office of Education understands the nature of this finding and believes that the circumstance is not unusual in an organization of its size. The Regional Office accepts the degree of risk associated with the condition and believes that seeking additional accounting expertise in the form of another accounting firm or appropriately trained individual to prepare and/or review financial statements would reduce funds available to provide educational services for the schools in the region. To help address the lack of "sufficient internal controls over the financial reporting process," the Regional Office will seek appropriate training for its bookkeeping staff.

Anticipated Completion Date:

Not Applicable

Contact Person:

Nik Groothuis, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2009

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
08-01	Inadequate Internal Control Procedures	Corrected
08-02	Controls Over Financial Statement Preparation	09-01

MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,
AND SHELBY COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

The Regional Office of Education #11 for the Counties of Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follow.

Financial Highlights

- Within the Governmental Funds, the General Fund balance increased from \$377,360 in FY08 to \$380,788 in FY09, and the Education Fund balance decreased from \$38,875 to \$3,073.
- Within the Proprietary Fund, Total Net Assets decreased from \$216,705 to \$212,845.

Using This Report

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Regional Office of Education as a whole and present an overall view of the 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 needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detailed information about the non-major fund.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,
AND SHELBY COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Reporting the Office as a Whole

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the Regional Office of Education #11 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the 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 Office's net assets and how they have changed. Net assets – the difference between the assets and liabilities – are one way to measure the Office's financial health or position.

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

In the government-wide financial statements, the Regional Office of Education #11's activities are divided into two categories.

- **Governmental activities:** Most of the Regional Office of Education #11's basic services are included here, such as local, State, and federal grant-funded programs, support services, and administration.
- **Business-type activities:** The Regional Office of Education #11 charges fees to help cover costs of certain services and workshops it provides.

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds – not the Regional Office of Education as a whole. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education #11 established other funds to control and manage money for particular purposes.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,
AND SHELBY COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Reporting the Office as a Whole (Concluded)

The Regional Office of Education #11 has the following types of funds:

1. Governmental funds account for all of the Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, a reconciliation between the governmental fund financial statements and the government-wide financial statements follow each of the related governmental fund financial statements. The Office's governmental funds include the General Fund and the Special Revenue Funds. The governmental fund required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
2. The Proprietary Fund is used to account for registration fees for workshops and other services sponsored by the Regional Office of Education #11. The Proprietary Fund's required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, Changes in Fund Net Assets, and Statement of Cash Flows.
3. Fiduciary funds are used to account for assets held by the Regional Office of Education #11 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets. The Regional Office of Education #11 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations.

Government –Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the financial position. The Regional Office's governmental activities net assets at the end of FY09 totaled \$491,448. This compared to \$536,248 at the end of FY08. The analysis that follows provides a summary of the Office's net assets at June 30, 2009 and June 30, 2008 for the governmental and business-type activities.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,
 AND SHELBY COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2009

Government –Wide Financial Analysis (Continued)

CONDENSED STATEMENT OF NET ASSETS
Governmental Activities

	<u>2008</u>	<u>2009</u>	<u>Increase/ (Decreased)</u>
Current Assets	\$ 636,817	\$ 530,322	\$ (106,495)
Capital Assets, being depreciated,	<u>4,128</u>	<u>4,077</u>	(51)
Total Assets	<u>640,945</u>	<u>534,399</u>	(106,546)
 Current Liabilities	 <u>104,697</u>	 <u>42,951</u>	 (61,746)
 Net Assets:			
Invested in Capital Assets	4,128	4,077	(51)
Restricted for teacher professional development	96,501	86,506	(9,995)
Unrestricted	<u>435,619</u>	<u>400,865</u>	(34,754)
Total Net Assets	<u>\$ 536,248</u>	<u>\$ 491,448</u>	\$ (44,800)

The Regional Office of Education's governmental Net Asset decreased from \$536,248 to \$491,448. Cash and cash equivalents made up the majority of current assets. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,
 AND SHELBY COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2009

Government –Wide Financial Analysis (Continued)

CONDENSED STATEMENT OF NET ASSETS
Business-type Activities

	<u>2008</u>	<u>2009</u>	<u>Increase/ (Decreased)</u>
Current Assets	\$ 207,298	\$ 208,141	\$ 843
Capital Assets, being depreciated,	<u>9,407</u>	<u>4,704</u>	(4,703)
Total Assets	<u>216,705</u>	<u>212,845</u>	(3,860)
Net Assets:			
Invested in Capital Assets	9,407	4,704	(4,703)
Unrestricted	<u>207,298</u>	<u>208,141</u>	843
Total Net Assets	<u>\$ 216,705</u>	<u>\$ 212,845</u>	\$ (3,860)

The Regional Office of Education #11 uses its business-type net assets to provide workshops and training services to school districts in the Region. The decrease in total net assets is due to a decrease in attendance at the workshops in fiscal year 2009 as compared to fiscal year 2008.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,
 AND SHELBY COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2009

Government –Wide Financial Analysis (Continued)

The following analysis shows the changes in net assets for governmental and business-type activities for the years ended June 30, 2009 and June 30, 2008.

STATEMENT OF ACTIVITIES
Governmental Activities

	<u>2008</u>	<u>2009</u>	<u>Increase/ (Decrease)</u>
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 1,088,010	\$ 1,049,618	\$ (38,392)
General Revenues			
Local sources	382,891	393,682	10,791
State sources	544,791	596,681	51,890
Federal sources	-	168,289	168,289
On-behalf payment	321,574	342,496	20,922
Transfer out	(6,440)	(3,167)	3,273
Investment earnings	40,821	17,376	(23,445)
Total Revenues	<u>2,371,647</u>	<u>2,564,975</u>	193,328
Expenses:			
Program Expenses:			
Instructional Services			
Salaries and benefits	968,274	1,132,748	164,474
Purchased services	329,823	407,875	78,052
Supplies and materials	78,036	85,533	7,497
Depreciation expense	4,233	1,987	(2,246)
Payments to other governments	639,814	628,510	(11,304)
Other objects	7,382	10,626	3,244
Administrative Expense:			
On-Behalf Payments - State	321,574	342,496	20,922
Total Expenses	<u>2,349,136</u>	<u>2,609,775</u>	260,639
Change in Net Assets	22,511	(44,800)	(67,311)
Net Assets - Beginning	<u>513,737</u>	<u>536,248</u>	22,511
Net Assets - Ending	<u>\$ 536,248</u>	<u>\$ 491,448</u>	\$ (44,800)

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,
AND SHELBY COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Government-Wide Financial Analysis (Concluded)

Revenues for governmental activities were \$2,564,975 and expenses were \$2,609,775. The increase in total revenue is due to several factors. The Standards Aligned Classroom project was funded at \$394,820 which was a decrease of \$212,181. The Office increased a Professional Development Consortium – Local Workshops to ten school districts which generated \$81,800, state aid was increased, and grant funding grew slightly. A new grant, Gifted Education, was received late in FY09 and will be continued through FY10.

STATEMENT OF ACTIVITIES
Business-Type Activities

	<u>2008</u>	<u>2009</u>	<u>Increase/ (Decrease)</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 120,678	\$ 105,179	\$ (15,499)
General revenues			
Investment earnings	4,756	857	(3,899)
Transfer In	6,440	3,167	(3,273)
Total Revenues	<u>131,874</u>	<u>109,203</u>	(22,671)
Expenses:			
Salaries and benefits	74,590	29,717	(44,873)
Purchased services	41,699	64,895	23,196
Supplies and materials	4,750	13,023	8,273
Depreciation expense	4,918	4,703	(215)
Dues and fees	1,960	725	(1,235)
Total Expenses	<u>127,917</u>	<u>113,063</u>	(14,854)
Change in Net Assets	3,957	(3,860)	(7,817)
Net Assets - Beginning	<u>212,748</u>	<u>216,705</u>	3,957
Net Assets - Ending	<u>\$ 216,705</u>	<u>\$ 212,845</u>	\$ (3,860)

Revenues for the business-type activities were \$109,203 and expenses were \$113,063. This resulted in an overall decrease in total net assets of \$3,860.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,
AND SHELBY COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Financial Highlights of the Regional Office of Education #11 Funds

As previously noted, the Regional Office of Education #11 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund Highlights:

- The return on investments (certificates of deposit, short term investments, and interest earned on float), were decreased because of the decrease in interest rates.
- County support for the Regional Office of Education #11 grew by 3% to \$280,500.
- There was an increase in the state aid foundation level to \$5,959 per student from \$5,734. This helped to maintain the dollars provided for the Safe Schools (Bridges) Program. Also, the TAOEP Beacon program was able to receive state aid dollars through Pathways.
- Professional Development Consortium - Local Workshops of ten school districts generated \$81,800.
- The Technology conference generated registration and vendor fees.

Proprietary Fund Highlights:

The Regional Office of Education #11's Local Workshop Fund operated at a loss in FY 09. The school districts have become more selective in allowing teachers to attend workshops that are only for required training purposes. The Office has determined that it is not cost effective to hold workshops for fewer than 10 participants and therefore held fewer workshops this year than in the past.

Budgetary Highlights:

The Regional Office of Education #11 annually adopts budgets. The Institute Fund, the Direct Services Budget and the Special Funds Budget are prepared by the Regional Superintendent and serve as a guideline for activities and expenditures. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the seven county boards for their approval. The Office Operations Budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the Regional Office of Education #11 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 Office's actual financial activity are included in the supplementary information of this report.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,
AND SHELBY COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Financial Highlights of the Regional Office of Education #11 Funds (Concluded)

Capital Assets

Capital Assets of the Regional Office of Education #11 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #11 maintains an inventory of capital assets which have been accumulated over time. In addition, the Regional Office of Education #11 has adopted a depreciation schedule which reflects the level of Net Capital Assets.

Economic Factors and Next Year's Budget

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

- The State of Illinois Foundation level used in the calculation of State Aid was increased to \$6,119 per student for FY10.
- The interest rate on investments remains low.
- Several grants have remained near or at previous levels.
- The State of Illinois funding for most programs has been delayed.
- County Board support of the Regional Office of Education #11 will remain at \$280,500 for the period of time December 1, 2009 to November 30, 2010.
- The Statewide Standards Aligned Classroom will no longer be funded.
- The Professional Development Consortium - Local Workshops includes thirteen school districts and will generate \$81,800 and the State of Illinois support for professional development activities will decrease from \$93,909 to \$72,323.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Offices' citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Regional Office of Education #11 at 730 7th Street, Charleston, IL 61920.

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 STATEMENT OF NET ASSETS
 JUNE 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 360,755	\$ 206,506	\$ 567,261
Prepaid expenses	-	1,635	1,635
Due from other governments:			
State	156,237	-	156,237
Federal	13,330	-	13,330
Total Current Assets	530,322	208,141	738,463
Noncurrent Assets:			
Capital assets, being depreciated, net	4,077	4,704	8,781
Total Noncurrent Assets	4,077	4,704	8,781
Total Assets	534,399	212,845	747,244
Liabilities			
Current Liabilities:			
Accounts payable	21,223	-	21,223
Due to other governments:			
Local	1,090	-	1,090
State	1,932	-	1,932
Deferred revenue	18,706	-	18,706
Total Current Liabilities	42,951	-	42,951
Net Assets			
Invested in capital assets	4,077	4,704	8,781
Restricted for teacher professional development	86,506	-	86,506
Unrestricted	400,865	208,141	609,006
Total Net Assets	\$ 491,448	\$ 212,845	\$ 704,293

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services:						
Salaries and benefits	\$ 1,132,748	\$ -	\$ 583,431	\$ (549,317)	\$ -	\$ (549,317)
Purchased services	407,664	-	421,706	14,042	-	14,042
Supplies and materials	85,744	-	42,545	(43,199)	-	(43,199)
Other objects	10,626	-	-	(10,626)	-	(10,626)
Depreciation expense	1,987	-	-	(1,987)	-	(1,987)
Capital outlay	-	-	1,936	1,936	-	1,936
Payments to other governments	628,510	-	-	(628,510)	-	(628,510)
Administrative:						
On-behalf payments - State	342,496	-	-	(342,496)	-	(342,496)
Total Governmental Activities	2,609,775	-	1,049,618	(1,560,157)	-	(1,560,157)
Business-Type Activities						
Registration fees	108,360	105,179	-	-	(3,181)	(3,181)
Depreciation	4,703	-	-	-	(4,703)	(4,703)
Total Business-Type Activities	113,063	105,179	-	-	(7,884)	(7,884)
Total Primary Government	\$ 2,722,838	\$ 105,179	\$ 1,049,618	(1,560,157)	(7,884)	(1,568,041)
General Revenues:						
Local sources				393,682	-	393,682
State sources				596,681	-	596,681
Federal sources				168,289	-	168,289
On-behalf payments				342,496	-	342,496
Investment earnings				17,376	857	18,233
Transfers				(3,167)	3,167	-
Total General Revenues, Special and Extraordinary Items and Transfers				1,515,357	4,024	1,519,381
Change in Net Assets				(44,800)	(3,860)	(48,660)
Net Assets - Beginning				536,248	216,705	752,953
Net Assets - Ending				\$ 491,448	\$ 212,845	\$ 704,293

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2009

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 235,946	\$ 19,367	\$ 88,438	\$ 17,004	\$ -	\$ 360,755
Due from other funds	118,256	-	-	-	(118,256)	-
Due from other governments						
State	39,130	117,107	-	-	-	156,237
Federal	-	13,330	-	-	-	13,330
Total Assets	<u>\$ 393,332</u>	<u>\$ 149,804</u>	<u>\$ 88,438</u>	<u>\$ 17,004</u>	<u>\$ (118,256)</u>	<u>\$ 530,322</u>
Liabilities:						
Accounts payable	\$ -	\$ 21,223	\$ -	\$ -	\$ -	\$ 21,223
Due to other governments						
Local	1,090	-	-	-	-	1,090
State	-	-	1,932	-	-	1,932
Due to other funds	11,454	106,802	-	-	(118,256)	-
Deferred revenue	-	18,706	-	-	-	18,706
Total Liabilities	<u>12,544</u>	<u>146,731</u>	<u>1,932</u>	<u>-</u>	<u>(118,256)</u>	<u>42,951</u>
Fund Balances:						
Unreserved, reported in:						
General fund	380,788	-	-	-	-	380,788
Special revenue funds	-	3,073	86,506	17,004	-	106,583
Total Fund Balances	<u>380,788</u>	<u>3,073</u>	<u>86,506</u>	<u>17,004</u>	<u>-</u>	<u>487,371</u>
Total Liabilities and Fund Balances	<u>\$ 393,332</u>	<u>\$ 149,804</u>	<u>\$ 88,438</u>	<u>\$ 17,004</u>	<u>\$ (118,256)</u>	<u>\$ 530,322</u>

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

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

Fund Balances—Total Governmental Funds \$ 487,371

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

Capital assets used in governmental activities are not
financial resources and therefore, are not reported in the funds. 4,077

Net Assets of Governmental Activities \$ 491,448

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
Revenues:						
Local sources	\$ 317,154	\$ 47,316	\$ 12,548	\$ 16,664	\$ -	\$ 393,682
State sources	96,057	954,331	-	9,512	-	1,059,900
State sources- payments made on behalf of region	342,496	-	-	-	-	342,496
Federal sources	-	754,688	-	-	-	754,688
Total Revenues	755,707	1,756,335	12,548	26,176	-	2,550,766
Expenditures:						
Instructional Services						
Salaries and benefits	275,361	851,143	-	6,244	-	1,132,748
Purchased services	120,691	250,374	17,902	18,697	-	407,664
Supplies and materials	17,687	63,583	1,030	3,444	-	85,744
Other objects	6,314	-	4,050	262	-	10,626
Payments to other governments	-	628,510	-	-	-	628,510
Payments made on behalf of region	342,496	-	-	-	-	342,496
Capital outlay	1,327	609	-	-	-	1,936
Total Expenditures	763,876	1,794,219	22,982	28,647	-	2,609,724
Excess (Deficiency) of Revenues Over Expenditures	(8,169)	(37,884)	(10,434)	(2,471)	-	(58,958)
Other Financing Sources (Uses):						
Transfers in	35,518	57,398	-	-	(92,916)	-
Transfers out	(40,546)	(55,537)	-	-	92,916	(3,167)
Interest	16,625	221	439	91	-	17,376
Total Other Financing Sources (Uses)	11,597	2,082	439	91	-	14,209
Net Change in Fund Balances	3,428	(35,802)	(9,995)	(2,380)	-	(44,749)
Fund Balances - Beginning	377,360	38,875	96,501	19,384	-	532,120
Fund Balances - Ending	\$ 380,788	\$ 3,073	\$ 86,506	\$ 17,004	\$ -	\$ 487,371

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2009

Net Change in Fund Balances—Total Governmental Funds \$ (44,749)

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	\$ 1,936		
Depreciation expense	(1,987)		(51)

Change in Net Assets of Governmental Activities \$ (44,800)

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2009

	Business-Type Activities- Enterprise Funds	
	Local Workshops	Totals
Assets:		
Current Assets:		
Cash and cash equivalents	\$ 206,506	\$ 206,506
Prepaid expenses	1,635	1,635
Total Current Assets	208,141	208,141
Noncurrent Assets:		
Capital assets, being depreciated, net	4,704	4,704
Total Noncurrent Assets	4,704	4,704
Total Assets	212,845	212,845
Net Assets		
Invested in capital assets	4,704	4,704
Unrestricted	208,141	208,141
Total Net Assets	\$ 212,845	\$ 212,845

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities— Enterprise Funds	
	Local	
	Workshops	Totals
Operating Revenues:		
Local sources	\$ 105,179	\$ 105,179
Total Operating Revenues	105,179	105,179
Operating expenses:		
Salaries and benefits	29,717	29,717
Purchased services	64,895	64,895
Supplies and materials	13,023	13,023
Dues and fees	725	725
Depreciation expense	4,703	4,703
Total Operating Expenses	113,063	113,063
Operating Income (Loss)	(7,884)	(7,884)
Nonoperating Revenues:		
Interest income	857	857
Total Nonoperating Revenue	857	857
Income (Loss) Before Contributions, Gains, Losses, and Transfers	(7,027)	(7,027)
Capital contributions		
Transfers in	6,250	6,250
Transfers out	(3,083)	(3,083)
Change in Net Assets	(3,860)	(3,860)
Total Net Assets - Beginning	216,705	216,705
Total Net Assets - Ending	\$ 212,845	\$ 212,845

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities- Enterprise Funds	
	Local	
	Workshops	Totals
Cash Flows From Operating Activities:		
Workshop receipts	\$ 107,079	\$ 107,079
Payments to providers of services	(80,278)	(80,278)
Payments to employees	(29,717)	(29,717)
Net Cash Provided by (Used for) Operating Activities	<u>(2,916)</u>	<u>(2,916)</u>
Cash Flows From Noncapital Financing Activities:		
Cash transfers from other funds	6,250	6,250
Cash transfers to other funds	(3,083)	(3,083)
Net Cash Provided by Noncapital Financing Activities	<u>3,167</u>	<u>3,167</u>
Cash Flows from Investing Activities:		
Interest received on investments	857	857
Net Cash Provided by Investing Activities	<u>857</u>	<u>857</u>
Net Increase (decrease) in cash and cash equivalents	1,108	1,108
Cash and cash equivalents - Beginning	205,398	205,398
Cash and cash equivalents - Ending	<u>\$ 206,506</u>	<u>\$ 206,506</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating income (loss)	\$ (7,884)	\$ (7,884)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	4,703	4,703
Change in assets and liabilities:		
Decrease in due from other governments	1,900	1,900
(Increase) in prepaid expenses	(1,635)	(1,635)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (2,916)</u>	<u>\$ (2,916)</u>

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2009

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 66,051
Due from other governments	12,045,263
Total Assets	<u>\$ 12,111,314</u>
Liabilities	
Accounts payable	\$ 66,051
Due to other governments	12,045,263
Total Liabilities	<u>\$ 12,111,314</u>

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

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #11 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2009, the Regional Office of Education #11 implemented Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The Regional Office of Education #11 implemented these standards during the current year; however, GASB No. 49, 52, 55, and 56 had no impact on the financial statements.

A. FINANCIAL REPORTING ENTITY

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #11's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; 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 treasurer's 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 his region are properly bonded.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

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

For the period ended June 30, 2009, the Regional Office of Education #11 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 #11. Such activities are reported as a single major special revenue fund (i.e. within the Education Fund).

B. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #11 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #11 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #11, 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 #11 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #11 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #11 is not aware of any entity which would exercise such oversight as to result in the Regional Office of Education #11 being considered a component unit of the entity.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #11'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 #11 has one business-type activity that relies on fees and charges for support.

The Regional Office of Education #11's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #11 accompanied by a total column. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Regional Office of Education #11's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Assets have been eliminated.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

E. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The governmental funds financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their 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 #11; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

Under the terms of grant agreements, Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties Regional Office of Education #11 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 Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties Regional Office of Education #11's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

G. FUND ACCOUNTING

The Regional Office of Education #11 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 #11 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 a fund balance.

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #11 has presented all major funds that met the above qualifications.

The Regional Office of Education #11 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #11. It is used to account for the expenditures which benefit all school districts in the region except those required to be accounted for in other funds. General Funds include the following:

County Support - This fund is used to account for all financial resources except those required to be accounted for in other funds.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Direct Service - This fund is used to account for interest that is earned on deposits in the Distributive Fund's interest-bearing checking account.

ROE/ISC Operations - This fund accounts for the resources associated with all the individual funds within the Education Fund which are not required to be accounted for in any specific fund within the Education Fund.

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

Education Fund – This fund is used to account for various grant and education enhancement programs as follows:

Title IV – Safe & Drug Free School Formula - This program accounts for the proceeds from federal grants expended under the Safe and Drug Free Schools program. The program concentrates on developing Regional Prevention Groups (RPG) and coordination of school policies, curriculum, family support, and community activities to improve the effectiveness of prevention efforts.

Pathways - This program accounts for money received from local districts to provide services for the districts' 16-21 year old drop out students. The Region subcontracts Lake Land College to provide the services.

Illinois Violence Prevention Authority - This program accounts for State funds received to develop and implement the operation of violence prevention activities in Regional Office of Education #11.

Standards Aligned Classroom (SAC) Statewide Professional Development - This program accounts for the proceeds from the Statewide Professional Development grant. This grant is for the funding of statewide professional development activities that will be conducted by 44 Regional Offices of Education, including the Regional Office of Education #11, and the three Intermediate Service Centers in Suburban Cook County in the amount of State funds approved by the Illinois State Board of Education. This grant is administered by Regional Office of Education #11.

Truants Alternative/Optional Education - This program accounts for the proceeds from State grants expended under a program to reduce student truancy.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Regional Safe Schools - This program accounts for the proceeds from the Regional Safe Schools monies. The program concentrates on the education of students who have been expelled from the school districts served by Regional Office of Education #11.

Youth Services - This program accounts for the general state aid and non grant expenditures for the Truancy Program and Regional Safe Schools Program which are both youth service activities.

Title II – Teacher Quality – The program provides funding to support academic achievement of all students by helping schools to improve teacher and principal quality.

Area IV - System of Support - This program was formed to assist area schools and districts within six regional offices in Area IV with systematic and sustainable improvement efforts.

American Recovery and Reinvestment Act (ARRA) – General State Aid - Federal Portion – The fund allows money issued from Illinois ARRA funds to cover the last five payments of state aid during the FY09. Employees were paid without delays and expenses could be covered which had been agreed upon as the FY09 began.

Other Federal Programs - This fund provides services and programs to non-title schools as well as student, family, and community support services to all school districts in the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties – Regional Office of Education #11's region on System of Support status. The fund also provides for the administrative costs for the direction of the program and grant management.

Institute Fund - This fund accounts for fees from registrations. These funds are used to help pay certain administrative expenses incurred to conduct workshops and for general meetings with teachers and other school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

The Regional Office of Education #11 reports the following nonmajor governmental funds:

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

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

General Educational Development Fund (GED) – This fund accounts for proceeds earned from students who pay to participate in the high school equivalency program. These proceeds are used to pay administrative expenses incurred to administer the GED program.

Bus Driver Training – This fund accounts for the fees charged for annual training courses. Proceeds from these fees are used to pay administrative expenses incurred pertaining to the program.

Supervisory Fund - This fund accounts for proceeds provided to the Regional Superintendent by the Illinois State Board of Education to be used for travel and related expenses.

PROPRIETARY FUND

Proprietary Funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #11 on a cost reimbursement basis are reported.

The Regional Office of Education #11 reports the following proprietary fund:

Local Workshops – The local workshops fund is used to account for the workshop registration fees and expenses related to workshops sponsored by the Regional Office of Education #11.

FIDUCIARY FUND

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #11 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. The Regional Office of Education #11's Agency Funds include the following:

Distributive Fund - This fund accounts for the proceeds apportioned to the Region that in turn distributes the proceeds to the member school districts.

Payroll Clearing Fund - This fund accounts for the Region's payroll

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS (Concluded)

Regional Trustee Fund - This fund accounts for the proceeds from the sale of school properties, royalties, and other receipts by the Superintendent that are forwarded to school districts. It is also used to account for detachment request fees received from landowners. The remainder of fees after expenses of the detachment hearing are returned to the landowner.

Interest on Distributive Fund - Interest on the distributive fund is transferred semi-annually to recipients.

H. NET ASSETS

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

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

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

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

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit.

J. INVENTORY

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

K. COMPENSATED ABSENCES

Sick pay must be accumulated but does not vest with the employee. Vacation time can be carried over up to a maximum of five days per year. However, any accruals as of June 30th are considered immaterial by management and not reflected in the basic financial statements.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

L. CAPITAL ASSETS

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

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

M. 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.

N. BUDGET INFORMATION

The Regional Office of Education #11 acts as the administrative agent for certain grant programs that are accounted for in the General and 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. The Special Revenue Fund and certain programs within the General Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budget information has been provided in supplementary schedules for the following funds: ROE/ISC Operations, Title IV – Safe and Drug Free School - Formula, Standards Aligned Classroom Statewide Professional Development, Truant Alternative/Optional Education, Regional Safe Schools, Title II – Teacher Quality, and Other Federal Programs.

NOTE 2 – DEPOSITS AND INVESTMENTS

The Regional Office of Education #11 does not have a formal investment policy. The Regional Office of Education #11 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

A. DEPOSITS

At June 30, 2009, the carrying amount of the Regional Office of Education #11's government-wide and Agency fund deposits were \$567,261 and \$66,051, respectively, and the bank balances were \$607,231 and \$1,294,163, respectively. At June 30, 2009, \$384,242 of the Regional Office of Education #11's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$277,769 was collateralized by securities pledged by the Regional Office's financial institution on behalf of the Regional Office.

B. INVESTMENTS

The Regional Office of Education #11 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2009, the Regional Office of Education #11 had investments with carrying and fair value of \$1,239,383 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

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

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.

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.

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 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 3 - DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #11'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 #11's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #11's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 10.34 percent of annual covered payroll. The Regional Office of Education #11 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2008, the Regional Office of Education #11's annual pension cost of \$23,506 for the Regular plan was equal to the Regional Office of Education #11's required and actual contributions.

THREE YEAR TREND INFORMATION			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$ 23,506	100%	\$ 0
12/31/07	19,855	100%	0
12/31/06	29,962	100%	0

The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005, 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 10.0% 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 #11'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 15% corridor between the actuarial and market value of assets. The Regional Office of Education #11's Regular plan's overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2008, was 5 years.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 104.93 percent funded. The actuarial accrued liability for benefits was \$736,036 and the actuarial value of assets was \$772,337, resulting in an overfunded actuarial accrued liability (UAAL) of \$36,301. The covered payroll (annual payroll of active employees covered by the plan) was \$226,582 and since the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

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

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

The Regional Office of Education #11 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

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

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #11's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #11. For the year ended June 30, 2009, State of Illinois contributions were based on 17.08 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #11 recognized revenue and expenditures of \$113,731 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings were 13.11 percent (\$81,459) and 9.78 percent (\$60,971), respectively.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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

The state contributions to TRS for the year ended June 30, 2009 and June 30, 2008 were based on an actuarial formula. The state contributions for the years ended June 30, 2007 was based on a dollar amount specified by the statute and was not actuarially determined.

- **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, 2009 were \$3,921. Contributions for the years ending June 30, 2008, and June 30, 2007, were \$3,603 and \$3,616, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #11, there is a statutory requirement for the Regional Office of Education #11 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate for TRS. For the year ended June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer contribution was 13.11 and 9.78 percent of salaries paid from federal and special trust funds, respectively.

For the year ended June 30, 2009, salaries totaling \$10,100 were paid from federal and special trust funds that required employer contributions of \$1,725. For the years ended June 30, 2008, and June 30, 2007, required Regional Office of Education #11 contributions were \$1,068 and \$4,654, respectively.

- **Early retirement option.** The Regional Office of Education #11 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. Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retired on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualified for the Pipeline ERO).

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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

Under the Pipeline ERO, the maximum employer contributions is 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For year end June 30, 2009, the Regional Office of Education #11 paid no employer contribution to TRS under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2008 and June 30, 2007, the Regional Office of Education #11 paid no employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS.

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2009, the Regional Office of Education #11 paid no TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2008 and June 20, 2007, the Regional Office of Education #11 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.67 percent of salary during the year ended June 30, 2009).

For the year ended June 30, 2009, the Regional Office of Education #11 paid no employer contributions to TRS for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2008 and June 30, 2007, the Regional Office of Education #11 paid no employer contributions granted for sick leave days.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2008. The report for June 30, 2009, is expected to be available in late 2009. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS web site at trs.illinois.gov.

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 5 - DUE TO/FROM OTHER FUNDS

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

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund		
County Support	\$ 118,256	\$ -
ROE/ISC Operations	-	11,454
Education Fund		
Regional Safe Schools	-	66,438
Truants Alternative/Optional Education	-	33,939
Area IV - System of Support	-	6,425
	<u>\$ 118,256</u>	<u>\$ 118,256</u>

NOTE 6 – ON BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #11:

Regional Superintendent Salary	\$100,762
Regional Superintendent Fringe Benefit (Includes State paid insurance)	18,276
Assistant Regional Superintendent Salary	90,686
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	19,041
TRS Pension contribution	<u>113,731</u>
Total	<u>\$342,496</u>

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

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 7 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #11 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. The following table provides a summary of changes in capital assets for the year ended June 30, 2009:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Governmental Activities				
General Funds:				
County Support	\$ 58,145	\$ 703	\$ -	\$ 58,848
ROE/ISC Operations	4,040	624	-	4,664
Direct Services	141	-	-	141
Total for General Funds	<u>62,326</u>	<u>1,327</u>	<u>-</u>	<u>63,653</u>
Special Revenue Funds:				
General Education Development Institute	400	-	-	400
Institute	565	-	-	565
Total for Special Revenue Funds	<u>965</u>	<u>-</u>	<u>-</u>	<u>965</u>
Education Funds:				
Area IV - System of Support	3,156	-	-	3,156
Regional Safe Schools	67,142	-	-	67,142
Youth Services	16,314	609	500	16,423
Title I - Reading First Part B SEA	3,498	-	-	3,498
Title II - Teacher Quality	890	-	-	890
Technology Enhancing Education	7,244	-	-	7,244
Total for Education Funds	<u>98,244</u>	<u>609</u>	<u>500</u>	<u>98,353</u>
Total - Governmental Activities	161,535	1,936	500	162,971
Less: Accumulated Depreciation	<u>157,407</u>	<u>1,987</u>	<u>500</u>	<u>158,894</u>
Investment in Capital Assets, Net Governmental Activities	<u>\$ 4,128</u>	<u>\$ (51)</u>	<u>\$ -</u>	<u>\$ 4,077</u>
	Balance			Balance
	July 1, 2008	Additions	Deletions	June 30, 2009
Business-Type Activities:				
Local Workshops	\$ 27,835	\$ -	\$ -	\$ 27,835
Less: Accumulated Depreciation	<u>18,428</u>	<u>4,703</u>	<u>-</u>	<u>23,131</u>
Investment in Capital Assets, Net	<u>\$ 9,407</u>	<u>\$ (4,703)</u>	<u>\$ -</u>	<u>\$ 4,704</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 7 – CAPITAL ASSETS (Concluded)

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2009 of \$1,987 and \$4,703 was charged to governmental activities and business-type activities, respectively. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 8 - RISK MANAGEMENT

The Regional Office of Education #11 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 #11 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 - INTERFUND ACTIVITY

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2009 consist of the following individual transfers in/out other funds in the governmental fund balance sheet. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, the transfers between the governmental funds and the business-type funds were not eliminated.

Fund	Transfer In	Transfer Out
General Funds		
ROE/ISC Operations	\$ -	\$ 1,249
County Support	13,000	17,110
Direct Service	22,518	22,187
Education Fund		
Standards Aligned Classroom		
Statewide Professional Development	-	5,000
Youth Service	25,980	50,037
Area IV - System of Support	3,073	-
Illinois Violence Prevention Authority	-	500
General State Aid - Federal Portion	28,335	-
Other Federal Programs	10	-
Proprietary Fund		
Local Enterprise	6,250	3,083
	<u>\$ 99,166</u>	<u>\$ 99,166</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 10 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #11's Agency Fund, General Fund, Nonmajor Special Revenue Fund, and Education Fund have funds due to and due from various other governmental units which consist of the following:

Due from Other Governments:

Agency Fund

Illinois State Board of Education \$ 12,045,263

Education Fund

Illinois State Board of Education 117,107

Regional Office of Education #32 13,330

General Fund

Illinois State Board of Education 39,130

Total \$ 12,214,830

Due to Other Governments

General Fund

Various Local Governments \$ 1,090

Nonmajor Special Revenue Fund

Illinois State Board of Education 1,932

Agency Fund

Local School Districts 12,045,263

Total \$ 12,048,285

NOTE 11 – OPERATING LEASES

The Regional Office of Education #11 has entered into several operating lease agreements for its office facilities, Bridges Alternative School Program, Regional Safe Schools Program, a postage meter and two copiers. During the year ended June 30, 2009 rentals under lease obligations were \$68,387. Future minimum rentals are as follows for the years ending June 30:

2010	\$ 65,100
2011	57,230
2012	55,860
2013	49,260
2014	47,185
2015-2019	221,400
2020-2021	<u>62,730</u>
Total	<u>\$ 558,765</u>

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

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2009

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)
12/31/08	772,337	736,036	(36,301)	104.93%	226,582	0.00%
12/31/07	700,375	684,081	(16,294)	102.38%	218,188	0.00%
12/31/06	601,742	629,027	27,285	95.66%	204,942	13.31%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$519,852.

On a market basis, the funded ratio would be 70.63%.

*** Digest of changes**

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

SUPPLEMENTAL INFORMATION

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2009

	<u>County Support</u>	<u>Direct Service</u>	<u>ROE/ISC Operations</u>	<u>TOTALS</u>
Assets				
Cash and cash equivalents	\$ 151,018	\$ 84,928	\$ -	\$ 235,946
Due from other funds	118,256	-	-	118,256
Due from other governments	-	-	39,130	39,130
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 269,274</u>	<u>\$ 84,928</u>	<u>\$ 39,130</u>	<u>\$ 393,332</u>
Liabilities				
Due to other fund	\$ -	\$ -	\$ 11,454	\$ 11,454
Due to other governments	1,090	-	-	1,090
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,090</u>	<u>-</u>	<u>11,454</u>	<u>12,544</u>
Fund Balances				
Unreserved	<u>268,184</u>	<u>84,928</u>	<u>27,676</u>	<u>380,788</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 269,274</u>	<u>\$ 84,928</u>	<u>\$ 39,130</u>	<u>\$ 393,332</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>County Support</u>	<u>Direct Service</u>	<u>ROE/ISC Operations</u>	<u>TOTALS</u>
Revenues				
Local sources	\$ 283,973	\$ 33,181	\$ -	\$ 317,154
State sources	-	2,148	93,909	96,057
State sources-payments made on behalf of region	<u>342,496</u>	<u>-</u>	<u>-</u>	<u>342,496</u>
 Total Revenues	 <u>626,469</u>	 <u>35,329</u>	 <u>93,909</u>	 <u>755,707</u>
Expenditures				
Salaries and benefits	191,667	-	83,694	275,361
Purchased services	60,441	56,652	3,598	120,691
Supplies and materials	11,696	-	5,991	17,687
Other objects	902	5,412	-	6,314
Payments made on behalf of region	342,496	-	-	342,496
Capital outlay	<u>703</u>	<u>-</u>	<u>624</u>	<u>1,327</u>
 Total Expenditures	 <u>607,905</u>	 <u>62,064</u>	 <u>93,907</u>	 <u>763,876</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>18,564</u>	 <u>(26,735)</u>	 <u>2</u>	 <u>(8,169)</u>
Other Financing Sources (Uses)				
Transfers in	13,000	22,518	-	35,518
Transfers out	(17,110)	(22,187)	(1,249)	(40,546)
Interest	<u>1,790</u>	<u>14,186</u>	<u>649</u>	<u>16,625</u>
 Total Other Financing Sources (Uses)	 <u>(2,320)</u>	 <u>14,517</u>	 <u>(600)</u>	 <u>11,597</u>
 Net Change in Fund Balances	 16,244	 (12,218)	 (598)	 3,428
 Fund Balance - Beginning	 <u>251,940</u>	 <u>97,146</u>	 <u>28,274</u>	 <u>377,360</u>
 Fund Balance - Ending	 <u>\$ 268,184</u>	 <u>\$ 84,928</u>	 <u>\$ 27,676</u>	 <u>\$ 380,788</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND ACCOUNTS
 ROE/ISC OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 93,909	\$ 93,909	\$ 93,909
Total Revenues	<u>93,909</u>	<u>93,909</u>	<u>93,909</u>
Expenditures			
Salaries and benefits	85,049	83,707	83,694
Purchased services	2,360	3,591	3,598
Supplies and materials	6,500	5,986	5,991
Capital outlay	-	625	624
Total Expenditures	<u>93,909</u>	<u>93,909</u>	<u>93,907</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>2</u>
Other Financing Sources (Uses)			
Transfer out	-	-	(1,249)
Interest	-	-	649
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(600)</u>
Net Change in Fund Balance	-	-	(598)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>28,274</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,676</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 JUNE 30, 2009

	Title IV - Safe & Drug Free School - Formula	Pathways	Illinois Violence Prevention Authority
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 9,555
Due from other governments:			
State	-	-	-
Federal	-	-	-
Total Assets	\$ -	\$ -	\$ 9,555
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Deferred revenue	-	-	9,555
Total Liabilities	-	-	9,555
Fund Balances			
Unreserved	-	-	-
Total Fund Balances	-	-	-
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 9,555

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 JUNE 30, 2009

	Standards Aligned Classroom Statewide Professional Development	Truants Alternative/ Optional Education	Regional Safe Schools	Youth Services
Assets				
Cash and cash equivalents	\$ 5,180	\$ 139	\$ -	\$ 4,493
Due from other governments:				
State	-	33,939	66,438	16,730
Federal	-	-	-	-
Total Assets	\$ 5,180	\$ 34,078	\$ 66,438	\$ 21,223
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 21,223
Due to other funds	-	33,939	66,438	-
Deferred revenue	5,180	139	-	-
Total Liabilities	5,180	34,078	66,438	21,223
Fund Balances				
Unreserved	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ 5,180	\$ 34,078	\$ 66,438	\$ 21,223

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 JUNE 30, 2009

	Title II - Teacher Quality	Area IV - System of Support	ARRA General State Aid - Federal Portion	Other Federal Programs	Total
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 19,367
Due from other governments:					
State	-	-	-	-	117,107
Federal	-	13,330	-	-	13,330
Total Assets	\$ -	\$ 13,330	\$ -	\$ -	\$ 149,804
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 21,223
Due to other funds	-	6,425	-	-	106,802
Deferred revenue	-	3,832	-	-	18,706
Total Liabilities	-	10,257	-	-	146,731
Fund Balances					
Unreserved	-	3,073	-	-	3,073
Total Fund Balances	-	3,073	-	-	3,073
Total Liabilities and Fund Balances	\$ -	\$ 13,330	\$ -	\$ -	\$ 149,804

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Title IV - Safe & Drug Free School - Formula	Pathways	Illinois Violence Prevention Authority
Revenues			
Local sources	\$ -	\$ 41,350	\$ -
State sources	-	-	19,155
Federal sources	211	-	-
Total Revenues	211	41,350	19,155
Expenditures			
Salaries and benefits	-	-	16,122
Purchased services	-	-	2,374
Supplies and materials	211	-	189
Payments to other governments	-	41,350	-
Capital outlay	-	-	-
Total Expenditures	211	41,350	18,685
Excess (Deficiency) of Revenues Over Expenditures	-	-	470
Other Financing Sources (Uses):			
Transfer in	-	-	-
Transfer out	-	-	(500)
Interest	-	-	30
Total Other Financing Sources (Uses)	-	-	(470)
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Standards Aligned Classroom Statewide Professional Development	Truants Alternative/ Optional Education	Regional Safe Schools	Youth Services
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ 5,966
State sources	-	124,313	223,068	587,795
Federal sources	394,820	-	-	32,877
Total Revenues	394,820	124,313	223,068	626,638
Expenditures				
Salaries and benefits	99,400	119,321	221,443	243,808
Purchased services	-	4,924	1,625	133,921
Supplies and materials	12,011	68	-	24,993
Payments to other governments	278,419	-	-	238,292
Capital outlay	-	-	-	609
Total Expenditures	389,830	124,313	223,068	641,623
Excess (Deficiency) of Revenues Over Expenditures	4,990	-	-	(14,985)
Other Financing Sources (Uses):				
Transfer in	-	-	-	25,980
Transfer out	(5,000)	-	-	(50,037)
Interest	10	-	-	167
Total Other Financing Sources (Uses)	(4,990)	-	-	(23,890)
Net Change in Fund Balances	-	-	-	(38,875)
Fund Balances - Beginning	-	-	-	38,875
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Title II - Teacher Quality	Area IV - System of Support	ARRA General State Aid - Federal Portion	Other Federal Programs	TOTAL
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 47,316
State sources	-	-	-	-	954,331
Federal sources	1,527	150,964	168,289	6,000	754,688
Total Revenues	1,527	150,964	168,289	6,000	1,756,335
Expenditures					
Salaries and benefits	-	40,424	110,312	313	851,143
Purchased services	1,527	88,232	13,627	4,144	250,374
Supplies and materials	-	22,320	2,237	1,554	63,583
Payments to other governments	-	-	70,449	-	628,510
Capital outlay	-	-	-	-	609
Total Expenditures	1,527	150,976	196,625	6,011	1,794,219
Excess (Deficiency) of Revenues Over Expenditures	-	(12)	(28,336)	(11)	(37,884)
Other Financing Sources (Uses):					
Transfer in	-	3,073	28,335	10	57,398
Transfer out	-	-	-	-	(55,537)
Interest	-	12	1	1	221
Total Other Financing Sources (Uses)	-	3,085	28,336	11	2,082
Net Change in Fund Balances	-	3,073	-	-	(35,802)
Fund Balances - Beginning	-	-	-	-	38,875
Fund Balances - Ending	\$ -	\$ 3,073	\$ -	\$ -	\$ 3,073

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE IV - SAFE & DRUG FREE SCHOOL - FORMULA
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 211	\$ 211	\$ 211
Total Revenues	211	211	211
Expenditures			
Supplies and materials	211	211	211
Total Expenditures	211	211	211
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 STANDARDS ALIGNED CLASSROOM STATEWIDE PROFESSIONAL DEVELOPMENT
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 400,000	\$ 400,000	\$ 394,820
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>394,820</u>
Expenditures			
Salaries and benefits	103,000	99,400	99,400
Purchased services	5,000	8,300	-
Supplies and materials	12,000	12,300	12,011
Payments to other governments	280,000	280,000	278,419
Total Expenditures	<u>400,000</u>	<u>400,000</u>	<u>389,830</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>4,990</u>
Other Financing Sources (Uses)			
Transfer out	-	-	(5,001)
Interest	-	-	11
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(4,990)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TRUANTS ALTERNATIVE / OPTIONAL EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 124,452	\$ 124,452	\$ 124,313
Total Revenues	<u>124,452</u>	<u>124,452</u>	<u>124,313</u>
Expenditures			
Salaries and benefits	117,946	117,946	119,321
Purchased services	6,110	6,110	4,924
Supplies and materials	396	396	68
Total Expenditures	<u>124,452</u>	<u>124,452</u>	<u>124,313</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 REGIONAL SAFE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 223,068	\$ 223,068	\$ 223,068
Total Revenues	<u>223,068</u>	<u>223,068</u>	<u>223,068</u>
Expenditures			
Salaries and benefits	220,157	220,157	221,443
Purchased services	<u>2,911</u>	<u>2,911</u>	<u>1,625</u>
Total Expenditures	<u>223,068</u>	<u>223,068</u>	<u>223,068</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE II - TEACHER QUALITY
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 1,527	\$ 1,527	\$ 1,527
Total Revenues	<u>1,527</u>	<u>1,527</u>	<u>1,527</u>
Expenditures			
Purchased services	<u>1,527</u>	<u>1,527</u>	<u>1,527</u>
Total Expenditures	<u>1,527</u>	<u>1,527</u>	<u>1,527</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 OTHER FEDERAL PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 6,000	\$ 6,000	\$ 6,000
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
Expenditures			
Salaries and benefits	355	312	313
Purchased services	4,145	4,133	4,144
Supplies and materials	1,500	1,555	1,554
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>6,011</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(11)</u>
Other Financing Sources (Uses)			
Transfer in	-	-	10
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>11</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>TOTALS</u>
Assets				
Cash and cash equivalents	\$ 6,573	\$ 8,477	\$ 1,954	\$ 17,004
Total Assets	<u>\$ 6,573</u>	<u>\$ 8,477</u>	<u>\$ 1,954</u>	<u>\$ 17,004</u>
Liabilities				
Due to other governments	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Unreserved	<u>6,573</u>	<u>8,477</u>	<u>1,954</u>	<u>17,004</u>
Total Fund Balances	<u>6,573</u>	<u>8,477</u>	<u>1,954</u>	<u>17,004</u>
Total Liabilities and Fund Balances	<u>\$ 6,573</u>	<u>\$ 8,477</u>	<u>\$ 1,954</u>	<u>\$ 17,004</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	General Education Development	Bus Driver Training	Supervisory	TOTALS
Revenues				
Local sources	\$ 14,192	\$ 2,472	\$ -	\$ 16,664
State sources	1,137	1,375	7,000	9,512
Total Revenues	15,329	3,847	7,000	26,176
Expenditures				
Salaries and benefits	6,244	-	-	6,244
Purchased services	6,695	3,547	8,455	18,697
Supplies and materials	3,118	326	-	3,444
Other objects	262	-	-	262
Total Expenditures	16,319	3,873	8,455	28,647
Excess (Deficiency) of Revenues Over Expenditures	(990)	(26)	(1,455)	(2,471)
Other Financing Sources (Uses)				
Interest	42	34	15	91
Total Other Financing Sources (Uses)	42	34	15	91
Net Change in Fund Balances	(948)	8	(1,440)	(2,380)
Fund Balances - Beginning	7,521	8,469	3,394	19,384
Fund Balances - Ending	\$ 6,573	\$ 8,477	\$ 1,954	\$ 17,004

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2009

	Distributive	Regional Trustee Fund	Payroll Clearing Fund	TOTALS
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 66,051	\$ 66,051
Due from other governments	12,045,263	-	-	12,045,263
Total Assets	\$ 12,045,263	\$ -	\$ 66,051	\$ 12,111,314
Liabilities				
Accounts payable	\$ -	\$ -	\$ 66,051	\$ 66,051
Due to other governments	12,045,263	-	-	12,045,263
Total Liabilities	\$ 12,045,263	\$ -	\$ 66,051	\$ 12,111,314

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>DISTRIBUTIVE</u>				
Assets				
Cash and cash equivalents	\$ 16,812	\$ 70,846,984	\$ 70,863,796	\$ -
Due from other governments	3,531,025	12,045,263	3,531,025	12,045,263
Total Assets	<u>\$ 3,547,837</u>	<u>\$ 82,892,247</u>	<u>\$ 74,394,821</u>	<u>\$ 12,045,263</u>
Liabilities				
Due to other governments	\$ 3,547,837	\$ 82,892,247	\$ 74,394,821	\$ 12,045,263
Total Liabilities	<u>\$ 3,547,837</u>	<u>\$ 82,892,247</u>	<u>\$ 74,394,821</u>	<u>\$ 12,045,263</u>
<u>REGIONAL TRUSTEE FUND</u>				
Assets				
Cash and cash equivalents	\$ 2,696	\$ 4,096	\$ 6,792	\$ -
Due from other governments	423	-	423	-
Total Assets	<u>\$ 3,119</u>	<u>\$ 4,096</u>	<u>\$ 7,215</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ 2,696	\$ 4,096	\$ 6,792	\$ -
Due to other governments	423	-	423	-
Total Liabilities	<u>\$ 3,119</u>	<u>\$ 4,096</u>	<u>\$ 7,215</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>PAYROLL CLEARING FUND</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 66,051	\$ -	\$ 66,051
Total Assets	\$ -	\$ 66,051	\$ -	\$ 66,051
Liabilities				
Accounts payable	\$ -	\$ 66,051	\$ -	\$ 66,051
Total Liabilities	\$ -	\$ 66,051	\$ -	\$ 66,051
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ 19,508	\$ 70,917,131	\$ 70,870,588	\$ 66,051
Due from other governments	3,531,448	12,045,263	3,531,448	12,045,263
Total Assets	\$ 3,550,956	\$ 82,962,394	\$ 74,402,036	\$ 12,111,314
Liabilities				
Accounts payable	\$ 2,696	\$ 70,147	\$ 6,792	\$ 66,051
Due to other governments	3,548,260	82,892,247	74,395,244	12,045,263
Total Liabilities	\$ 3,550,956	\$ 82,962,394	\$ 74,402,036	\$ 12,111,314

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES
 FOR THE YEAR ENDED JUNE 30, 2009

Program Description	Program Number	Marshall CUSD #C-2	Martinsville CUSD #C-3	Casey		Oakland CUSD #5
				Westfield CUSD #C-4	Mattoon CUSD #2	
General State Aid - Sec. 18-8	3001	\$4,477,118	\$1,323,637	\$3,672,186	\$ 8,342,416	\$ 964,593
Sp. Ed. - Private Facility Tuition	3100	38,152	-	876	17,721	-
Sp. Ed. - Extraordinary	3105	157,362	45,861	123,224	377,059	37,638
Sp. Ed. - Personnel	3110	227,446	34,197	190,468	853,898	32,003
Sp. Ed. - Orphanage - Individual	3120	6,361	-	-	17,144	-
Sp. Ed. - Orphanage - Summer Individual	3130	-	-	-	-	-
Sp. Ed. - Summer School	3145	140	-	-	-	-
Bilingual Ed. - Downstate - TPI & TBE	3305	-	-	74	-	-
State Free Lunch & Breakfast	3360	6,983	2,491	9,964	27,209	1,679
School Breakfast Incentive	3365	639	58	464	1,814	117
Driver Education	3370	16,108	6,237	11,132	39,079	5,098
Transportation - Regular & Vocational	3500	302,856	139,905	242,371	368,955	124,136
Transportation - Special Education	3510	90,499	38,774	121,686	233,833	48,800
ROE School Bus Driver Training	3520	-	-	-	-	-
National Board Certification Initiatives	3651	10,000	-	-	11,000	-
Truants Alternative/Operational Ed.	3695	-	-	-	-	-
Regional Safe Schools	3696	-	-	-	-	-
Early Childhood - Block Grant	3705	-	-	-	2,534,526	-
Reading Improvement Block Grant	3715	47,640	13,440	39,433	118,391	13,951
ROE/ISC Operations	3730	-	-	-	-	-
Supervisory Expense	3745	-	-	-	-	-
ADA Safety & Educational Block Grant	3775	48,448	13,731	37,246	113,380	11,742
Children Mental Health	3990	52,160	-	-	-	-
Other Restricted Grant-In-Aid from State Sources	3999	-	-	357,740	-	-
Title V Innovative Programs -IASA Title VI Formula	4100	-	-	-	7,506	12,332
National School Lunch Program	4210	146,438	51,109	173,040	545,348	38,038
Special Milk Program	4215	-	-	-	-	-
School Breakfast Program	4220	26,556	13,350	60,712	179,273	7,103
IASA - Title I - Low Income	4300	180,254	55,305	300,292	963,373	163,954
IASA - Even Start	4335	-	-	-	106,481	-
Title IV - Safe & Drug Free Schools - Formula	4400	3,885	1,144	4,369	13,727	2,020
Special Ed IDEA	4625	15,499	3,441	-	2,000	-
ARRA-General State Aid+-B16-Sec. 18-8	4850	1,323,570	391,307	1,085,608	2,465,964	285,163
ARRA-Title I-Low Income	4851	-	-	-	-	-
Title II - Teacher Quality	4932	55,926	26,263	70,237	245,952	11,143
Title II-Teacher Quality-Leadership Grant	4935	-	-	-	-	-
Technology Enhancing Education - Formula	4971	2,158	498	2,673	7,693	968
I-KAN Technology Enhancing Educ	4972	295,980	-	-	-	-
Other Federal Programs	4999	-	-	-	-	-
		<u>\$7,532,178</u>	<u>\$2,160,748</u>	<u>\$6,503,795</u>	<u>\$ 17,593,742</u>	<u>\$1,760,478</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES
 FOR THE YEAR ENDED JUNE 30, 2009

Program Description	Program Number	Neoga CUSD #3	Cumberland CUSD #77	Arthur CUSD #305	Arcola CUSD #306	Shiloh CUSD #1
General State Aid - Sec. 18-8	3001	\$ 2,892,706	\$ 3,354,637	\$ 834,220	\$ 1,848,340	\$ 814,459
Sp. Ed. - Private Facility Tuition	3100	-	6,684	-	-	-
Sp. Ed. - Extraordinary	3105	139,111	110,320	51,717	75,815	50,329
Sp. Ed. - Personnel	3110	75,071	162,329	86,300	190,104	84,072
Sp. Ed. - Orphanage - Individual	3120	-	-	5,255	-	-
Sp. Ed. - Orphanage - Summer Individual	3130	-	-	-	-	-
Sp. Ed. - Summer School	3145	-	-	-	-	-
Bilingual Ed. - Downstate - TPI & TBE	3305	-	-	-	14,602	-
State Free Lunch & Breakfast	3360	4,943	4,448	1,680	4,393	5,100
School Breakfast Incentive	3365	172	-	273	154	387
Driver Education	3370	10,519	15,512	7,783	6,968	2,927
Transportation - Regular & Vocational	3500	175,150	338,870	79,451	72,269	129,632
Transportation - Special Education	3510	86,739	92,479	54,285	97,787	54,733
ROE School Bus Driver Training	3520	-	-	-	-	-
National Board Certification Initiatives	3651	-	-	6,000	-	-
Truants Alternative/Operational Ed.	3695	-	-	-	-	-
Regional Safe Schools	3696	-	-	-	-	-
Early Childhood - Block Grant	3705	-	-	-	-	154,220
Reading Improvement Block Grant	3715	24,450	33,320	26,323	22,646	16,458
ROE/TSC Operations	3730	-	-	-	-	-
Supervisory Expense	3745	-	-	-	-	-
ADA Safety & Educational Block Grant	3775	27,646	33,532	16,934	24,004	15,115
Children Mental Health	3990	-	-	-	-	-
Other Restricted Grant-In-Aid from State Sources	3999	-	-	-	-	-
Title V Innovative Programs -IASA Title VI Formula	4100	-	811	-	-	129
National School Lunch Program	4210	98,847	137,074	42,575	84,952	86,474
Special Milk Program	4215	-	-	-	-	-
School Breakfast Program	4220	32,782	-	6,224	23,421	32,039
IASA - Title I - Low Income	4300	76,149	227,031	230,125	89,355	161,186
IASA - Even Start	4335	-	-	-	-	-
Title IV - Safe & Drug Free Schools - Formula	4400	1,480	4,041	525	1,452	3,115
Special Ed IDEA	4625	5,829	11,024	1,107	4,375	6,866
ARRA-General State Aid+-B16-Sec. 18-8	4850	731,214	991,731	246,621	546,424	240,779
ARRA-Title I-Low Income	4851	-	-	-	13,650	-
Title II - Teacher Quality	4932	41,495	59,678	52,145	23,385	44,982
Title II-Teacher Quality-Leadership Grant	4935	-	-	-	-	-
Technology Enhancing Education - Formula	4971	639	2,033	-	1,852	1,471
I-KAN Technology Enhancing Educ	4972	-	-	-	-	17,733
Other Federal Programs	4999	-	-	-	-	-
		<u>\$ 4,424,942</u>	<u>\$ 5,585,554</u>	<u>\$ 1,749,543</u>	<u>\$ 3,145,948</u>	<u>\$ 1,922,206</u>

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES
 FOR THE YEAR ENDED JUNE 30, 2009

Program Description	Program Number	Paris						Central A&M CUSD #21
		Kansas CUSD #3	Crestwood CUSD #4	Lovington CUSD #303	Cowden Herrick CUSD #3A	Shelbyville CUSD #4		
General State Aid - Sec. 18-8	3001	\$ 701,803	\$1,802,662	\$ 821,824	\$ 1,790,317	\$3,460,272	\$ 2,418,705	
Sp. Ed. - Private Facility Tuition	3100	11,179	-	-	-	-	-	
Sp. Ed. - Extraordinary	3105	29,231	76,064	34,471	52,965	132,387	92,293	
Sp. Ed. - Personnel	3110	31,869	78,077	79,757	63,794	261,343	2,271	
Sp. Ed. - Orphanage - Individual	3120	-	-	-	-	10,051	930,094	
Sp. Ed. - Orphanage - Summer Individual	3130	-	-	-	-	-	51,648	
Sp. Ed. - Summer School	3145	-	-	-	-	-	-	
Bilingual Ed. - Downstate - TPI & TBE	3305	-	-	-	-	-	-	
State Free Lunch & Breakfast	3360	1,504	1,375	1,891	3,834	7,431	3,949	
School Breakfast Incentive	3365	49	-	124	10	481	279	
Driver Education	3370	2,996	8,421	2,291	8,746	12,578	8,827	
Transportation - Regular & Vocational	3500	56,285	165,032	57,963	140,508	180,639	120,424	
Transportation - Special Education	3510	8,571	14,251	43,514	58,337	67,137	63,922	
ROE School Bus Driver Training	3520	-	-	-	-	-	-	
National Board Certification Initiatives	3651	-	6,000	-	-	-	-	
Truants Alternative/Operational Ed.	3695	-	-	-	-	-	-	
Regional Safe Schools	3696	-	-	-	-	-	-	
Early Childhood - Block Grant	3705	-	-	-	-	101,578	86,796	
Reading Improvement Block Grant	3715	10,632	21,376	9,580	15,965	36,556	28,959	
ROE/ISC Operations	3730	-	-	-	-	-	-	
Supervisory Expense	3745	-	-	-	-	-	-	
ADA Safety & Educational Block Grant	3775	8,505	25,459	10,602	15,908	41,242	30,169	
Children Mental Health	3990	-	-	-	-	-	-	
Other Restricted Grant-In-Aid from State Sources	3999	-	-	-	-	-	-	
Title V Innovative Programs -IASA Title VI Formula	4100	-	-	-	-	-	-	
National School Lunch Program	4210	28,475	52,780	42,757	69,223	137,381	98,620	
Special Milk Program	4215	-	-	-	-	-	737	
School Breakfast Program	4220	11,033	-	5,907	17,388	40,633	20,665	
IASA - Title I - Low Income	4300	89,406	53,394	35,387	71,671	106,881	109,929	
IASA - Even Start	4335	-	-	-	-	-	-	
Title IV - Safe & Drug Free Schools - Formula	4400	583	1,658	1,190	1,152	2,948	3,147	
Special Ed IDEA	4625	2,301	5,573	5,970	2,399	7,254	-	
ARRA-General State Aid+-B16-Sec. 18-8	4850	207,474	532,921	242,956	529,271	1,022,960	715,042	
ARRA-Title I-Low Income	4851	-	-	-	-	-	-	
Title II - Teacher Quality	4932	9,699	33,754	9,833	40,124	49,899	39,802	
Title II-Teacher Quality-Leadership Grant	4935	-	-	-	-	-	-	
Technology Enhancing Education - Formula	4971	739	522	257	684	2,136	1,022	
I-KAN Technology Enhancing Educ	4972	-	-	-	-	-	-	
Other Federal Programs	4999	-	-	-	-	-	-	
		<u>\$ 1,212,334</u>	<u>\$2,879,319</u>	<u>\$ 1,406,274</u>	<u>\$ 2,882,296</u>	<u>\$5,681,787</u>	<u>\$ 4,827,300</u>	

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES
 FOR THE YEAR ENDED JUNE 30, 2009

Program Description	Program Number	Chrisman CUSD #6	ROE/SAS	Agent For Lake Land College	Bridges & Youth Services Programs	Other Programs	Total
General State Aid - Sec. 18-8	3001	\$ 940,513	\$ 226,293	\$ 30,348	\$ 312,615	\$ -	\$ 41,029,664
Sp. Ed. - Private Facility Tuition	3100	-	-	-	-	-	74,612
Sp. Ed. - Extraordinary	3105	39,770	-	-	-	-	1,625,617
Sp. Ed. - Personnel	3110	48,501	-	-	-	-	2,501,500
Sp. Ed. - Orphanage - Individual	3120	-	-	-	-	-	968,905
Sp. Ed. - Orphanage - Summer Individual	3130	-	-	-	-	-	51,648
Sp. Ed. - Summer School	3145	362	-	-	-	-	502
Bilingual Ed. - Downstate - TPI & TBE	3305	-	-	-	-	-	14,676
State Free Lunch & Breakfast	3360	2,663	-	-	1,389	-	92,926
School Breakfast Incentive	3365	291	-	-	145	-	5,457
Driver Education	3370	6,861	-	-	-	-	172,083
Transportation - Regular & Vocational	3500	93,793	-	-	-	-	2,788,239
Transportation - Special Education	3510	41,053	-	-	-	-	1,216,400
ROE School Bus Driver Training	3520	-	-	-	-	1,375	1,375
National Board Certification Initiatives	3651	-	-	-	-	-	33,000
Truants Alternative/Operational Ed.	3695	-	-	-	90,513	-	90,513
Regional Safe Schools	3696	-	-	-	156,630	-	156,630
Early Childhood - Block Grant	3705	-	-	-	-	-	2,877,120
Reading Improvement Block Grant	3715	11,738	-	-	-	-	490,858
ROE/ISC Operations	3730	-	70,431	-	-	-	70,431
Supervisory Expense	3745	-	-	-	-	7,000	7,000
ADA Safety & Educational Block Grant	3775	13,026	-	-	-	-	486,689
Children Mental Health	3990	-	-	-	-	-	52,160
Other Restricted Grant-In-Aid from State Sources	3999	-	-	-	-	-	357,740
Title V Innovative Programs -IASA Title VI Formula	4100	-	-	-	-	-	20,778
National School Lunch Program	4210	45,563	-	-	20,099	-	1,898,793
Special Milk Program	4215	-	-	-	-	-	737
School Breakfast Program	4220	27,301	-	-	12,778	-	517,165
IASA - Title I - Low Income	4300	53,802	-	-	-	-	2,967,494
IASA - Even Start	4335	-	-	-	-	-	106,481
Title IV - Safe & Drug Free Schools - Formula	4400	1,086	-	-	211	-	47,733
Special Ed IDEA	4625	-	-	-	-	-	73,638
ARRA-General State Aid+-B16-Sec. 18-8	4850	278,044	-	-	92,418	75,871	12,005,338
ARRA-Title I-Low Income	4851	-	-	-	-	-	13,650
Title II - Teacher Quality	4932	15,896	-	-	1,527	-	831,740
Title II-Teacher Quality-Leadership Grant	4935	-	-	-	14,714	385,286	400,000
Technology Enhancing Education - Formula	4971	471	-	-	-	-	25,816
I-KAN Technology Enhancing Educ	4972	-	-	-	-	-	313,713
Other Federal Programs	4999	-	-	-	-	6,000	6,000
		<u>\$ 1,620,734</u>	<u>\$ 296,724</u>	<u>\$ 30,348</u>	<u>\$ 703,039</u>	<u>\$ 475,532</u>	<u>\$ 74,394,821</u>

FEDERAL COMPLIANCE

REGIONAL OFFICE OF EDUCATION #11
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Grantor/Pass Through</u> <u>Grantor, Program or Cluster Title</u>	<u>CFDA</u> <u>Number</u>	<u>Project # or</u> <u>Contract #</u>	<u>Expenditures</u> <u>7/1/08-6/30/09</u>
U.S. Department of Education			
Passed through Illinois State Board of Education			
English Language Acquisition Grants			
Other Federal Programs	84.365A	09-4999-PD	\$ 6,000
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery			
ARRA General State Aid - Federal Portion	84.394A	09-4850-00	168,289
Safe and Drug-Free Schools and Communities_State Grants			
Title IV - Safe and Drug Free School - Formula	84.186A	09-4400-00	<u>211</u>
Total U.S. Department of Education passed through			
 Illinois State Board of Education			<u>174,500</u>
U.S. Department of Agriculture through			
Illinois State Board of Education			
School Breakfast Program	10.553	08-4220-00	1,475
School Breakfast Program	10.553	09-4220-00	<u>11,303</u>
Total School Breakfast Program			<u>12,778</u>
National School Lunch Program	10.555	08-4210-00	2,325
National School Lunch Program	10.555	09-4210-00	<u>17,774</u>
Total National School Lunch Program			<u>20,099</u>
Total U.S. Department of Agriculture through			
 Illinois State Board of Education			<u>32,877</u>
U.S. Department of Education			
Passed through Regional Office of Education #32			
Title I Grants to Local Educational Agencies			
Area IV - System of Support			
(Title I School Improvement and Accountability)	84.010A	09-4331-SS	<u>123,818</u>
Total U.S. Department of Education			
 Passed through Regional Office of Education #32		Total	<u>123,818</u>
U.S. Department of Education CFDA #84.367A			
Passed through Regional Office of Education #32			
Improving Teacher Quality State Grants			
Title II - Teacher Quality	84.367A	09-4935-SS	27,146
Passed through Illinois State Board of Education			
Improving Teacher Quality State Grants			
Title II - Teacher Quality	84.367A	09-4932-00	1,527
Standards Aligned Classroom Statewide Professional Development			
(Title II - Teacher Quality - Leadership Grant)	84.367A	09-4935-00	<u>394,820</u>
Total U.S. Department of Education CFDA #84.367A		Total	<u>423,493 (M)</u>
Total Expenditures of Federal Awards			<u>\$ 754,688</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR,
MOULTRIE, AND SHELBY COUNTIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Regional Office of Education #11 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 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Regional Office of Education #11 provided federal awards to subrecipients as follows:

Program Title: Standards Aligned Classroom Statewide Professional Development (Title II – Teacher Quality – Leadership Grant)
Federal CFDA #: 84.367A
Amount provided to subrecipients: \$ 278,419

Program Title: State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (ARRA General State Aid – Federal Portion)
Federal CFDA #: 84.394A
Amount provided to subrecipients: \$ 70,449

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Teacher Quality – Leadership Grant (Standards Alignment Classroom Statewide Professional Development): This program's objectives are to support statewide education reform efforts. The program provides funding to enable implementation of promising educational reform programs, school improvement programs, and support programs to provide library services and instructional and media materials. The funding assists in meeting the educational needs of all students, including at-risk youth and develops and implements education programs to improve school, student, and teachers performance, including professional development activities and class size reduction programs.

Title II – Teacher Quality: This program's objectives are to support academic achievement of all students by helping schools to improve teacher and principal quality. The program provides funding to increase the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR,
MOULTRIE, AND SHELBY COUNTIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

.NOTE 4 - NON-CASH ASSISTANCE

NONE

NOTE 5 - AMOUNT OF INSURANCE

NONE

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

NONE