

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, 2010

Performed as Special Assistant Auditors
For the Auditor General, State of Illinois,
For the Year Ended June 30, 2010

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

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

For the Year Ended June 30, 2010

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

AGENCY OFFICIALS

For the Year Ended June 30, 2010

Regional Superintendent (Current, Acting Effective January 1, 2011)	Mr. Kevin Van Meter
Regional Superintendent (During the Audit Period, Retired Effective December 31, 2010)	Mr. Nik Groothuis
Assistant Regional Superintendent (Current, Acting Effectively January 1, 2011)	Dr. Bobbi Mattingly
Assistant Regional Superintendent (During the Audit Period through December 31, 2010)	Mr. Kevin Van Meter

Office is located at:

730 7th Street
Charleston, Illinois 61920

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

COMPLIANCE REPORT SUMMARY

For the Year Ended June 30, 2010

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

AUDITORS' REPORT

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

SUMMARY OF AUDIT FINDINGS

Number of	This Audit	Prior Audit
Audit findings	1	1
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	0	1

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

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

Item No.	Page	Description	Finding Type
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
10-01	11	Controls Over Financial Statement Preparation	Material Weakness

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on October 1, 2010. Attending were Nik Groothuis, Regional Superintendent, Kevin Van Meter, Assistant Regional Superintendent, Carole Halloran, Bookkeeper, and Larry Nichols, CPA, Principal, Doehring, Winders & Co. LLP. Responses to the recommendations were provided by Kevin Van Meter, Acting Regional Superintendent (as of January 1, 2011) in an email dated February 15, 2011.

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

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2010

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 Doehring, Winders & Co. LLP.

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

DOEHRING, WINDERS & CO. LLP
*Certified Public Accountants
& Business Advisers*
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

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, 2010, 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 opinion.

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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 10, 2011, 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 17-23 and 54 are not a required part of the basic financial statements but is 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 schedules 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 *Guidelines to Auditing and Reporting for a Regional Office of Education*, 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.

Doehring, Winkler & Co. L.L.P.

May 10, 2011

DOEHRING, WINDERS & CO. LLP
Certified Public Accountants
& Business Advisers
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #11, as of and for the year ended June 30, 2010, which collectively comprise the Regional Office of Education #11's basic financial statements and have issued our report thereon dated May 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #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 considered 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 10-01 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 also noted a certain matter which we have reported to management of the Regional Office of Education # 11 in a separate letter dated May 10, 2011.

Regional Office of Education # 11's response to the finding identified in our audit are 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 entity, Illinois State Board of Education, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Doehring, Winkler & Co. L.P.

May 10, 2011

DOEHRING, WINDERS & Co. LLP
*Certified Public Accountants
& Business Advisers*
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE FOR EACH MAJOR PROGRAM DETERMINED TO BE MAJOR BY THE ILLINOIS STATE
BOARD OF EDUCATION IN THEIR MONITORING OF FEDERAL PROGRAMS

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education #11's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education #11's major federal programs for the year ended June 30, 2010. 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 criteria as required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*. Those standards and criteria 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 of the Regional Office of Education #11's compliance with those requirements.

In our opinion, the Regional Office of Education #11 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the 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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #11's internal control over compliance.

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

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

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

Doehring, Winters & Co. LLP

May 10, 2011

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, 2010

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? No
- Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? 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
84.010A	Title I - School Improvement and Accountability - Systems of Support
84.357A	Title I - Reading First Part B SEA Funds
84.367A	Title II - Teacher Quality
84.367A	Title II - Teacher Quality - Leadership Grant - Standards Alignment Classroom Statewide Professional Development

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 AND SHELBY COUNTIES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS

For the Year Ended June 30, 2010

10-01 Controls Over Financial Statement Preparation (Repeat of Finding 09-01, 08-02 and 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.

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.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS (continued)

For the Year Ended June 30, 2010

10-01 Controls Over Financial Statement Preparation (Repeat of Finding 09-01, 08-02 and 07-03) (continued)

Management's Response:

The Regional Office of Education #11 feels the circumstance is not unusual for an organization of this size. The Regional Office understands the nature of the finding. The Regional Office 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 the funds available to provide educational services for the schools in the region. The Regional Office of Education therefore accepts the degree of risk associated with this condition. In order to address this finding, the Regional Office will continue to seek appropriate training for staff members in order to ensure that all financial statements, including disclosures, are complete and accurate.

REGIONAL OFFICE OF EDUCATION #11
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III - FEDERAL AWARD FINDINGS

For the Year Ended June 30, 2010

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

For the Year Ended June 30, 2010

Corrective Action Plan

10-01 Controls Over Financial Statement Preparation (Repeat of Finding 09-01, 08-02 and 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 #11 feels the circumstance is not unusual for an organization of this size. The Regional Office understands the nature of the finding. The Regional Office 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 the funds available to provide educational services for the schools in the region. The Regional Office of Education therefore accepts the degree of risk associated with this condition. In order to address this finding, the Regional Office will continue to seek appropriate training for staff members in order to ensure that all financial statements, including disclosures, are complete and accurate.

Anticipated Date of Completion:

Not Applicable

Name of Contact Person:

Kevin Van Meter, Regional Superintendent of Schools

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2010

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
09-01	Controls Over Financial Statement Preparation	10-01

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, 2010

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, 2010. 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 \$380,788 in FY 09 to \$475,282 in FY 10, and the Education Fund balance decreased from \$3,073 to \$(103,544).
- Within the Proprietary Fund, Total Net Assets decreased from \$212,845 to \$209,468.

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.

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.

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, 2010

Reporting the Office as a Whole (continued)

- 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
- 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.

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
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.

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, 2010

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 FY 10 totaled \$630,625. This compared to \$491,448 at the end of FY 09. The analysis that follows provides a summary of the Office's net assets at June 30, 2010 and June 30, 2009 for the governmental and business-type activities.

**Condensed Statement of Net Assets
Governmental Activities**

	<u>2010</u>	<u>2009</u>	Increase/ (Decrease)
Current assets	\$ 783,325	\$ 530,322	\$ 253,003
Capital assets, being depreciated, net	<u>3,175</u>	<u>4,077</u>	<u>(902)</u>
Total assets	<u>786,500</u>	<u>534,399</u>	<u>252,101</u>
Current liabilities	<u>155,875</u>	<u>42,951</u>	<u>112,924</u>
Net assets:			
Invested in capital assets	3,175	4,077	(902)
Restricted for teacher professional development	93,489	86,506	6,983
Unrestricted	<u>533,961</u>	<u>400,865</u>	<u>133,096</u>
Total net assets	<u>\$ 630,625</u>	<u>\$ 491,448</u>	<u>\$ 139,177</u>

The Regional Office of Education's governmental Net Assets increased from \$491,448 to \$630,625. 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.

**Condensed Statement of Net Assets
Business-Type Activities**

	<u>2010</u>	<u>2009</u>	Increase/ (Decrease)
Current assets	\$ 201,966	\$ 208,141	\$ (6,175)
Capital assets, being depreciated, net	<u>7,502</u>	<u>4,704</u>	<u>2,798</u>
Total assets	<u>\$ 209,468</u>	<u>\$ 212,845</u>	<u>\$ (3,377)</u>
Net assets:			
Invested in capital assets	7,502	4,704	2,798
Restricted for local workshops	3,600	-	3,600
Unrestricted	<u>198,366</u>	<u>208,141</u>	<u>(9,775)</u>
Total net assets	<u>\$ 209,468</u>	<u>\$ 212,845</u>	<u>\$ (3,377)</u>

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, 2010

Government-Wide Financial Analysis (continued)

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 transfer of funds to the ROE/ISC Operations Fund during the fiscal year.

The following analysis shows the changes in net assets for governmental and business-type activities for the years ended June 30, 2010 and June 30, 2009.

Statement of Activities
Governmental Activities

	<u>2010</u>	<u>2009</u>	<u>Increase/ (Decrease)</u>
Revenues:			
Program revenues:			
Operating grants and contributions	\$ 837,082	\$ 1,049,618	\$ (212,536)
General revenues			
Local sources	419,448	393,682	25,766
State sources	679,595	596,681	82,914
Federal sources	41,905	168,289	(126,384)
On-behalf payment	430,757	342,496	88,261
Investment earnings	16,719	17,376	(657)
Total revenues	<u>2,425,506</u>	<u>2,568,142</u>	<u>(142,636)</u>
Expenses:			
Program expenses:			
Instructional services			
Salaries and benefits	1,124,192	1,132,748	(8,556)
Purchased services	355,602	407,664	(52,062)
Supplies and materials	65,849	85,744	(19,895)
Depreciation expense	2,404	1,987	417
Payments to other governments	343,946	628,510	(284,564)
Other objects	10,808	10,626	182
Administrative expenses:			
On-behalf payments - state	430,757	342,496	88,261
Total expenses	<u>2,333,558</u>	<u>2,609,775</u>	<u>(276,217)</u>
Change in net assets before transfers	91,948	(41,633)	133,581
Transfers in (out)	<u>47,229</u>	<u>(3,167)</u>	<u>50,396</u>
Change in net assets	139,177	(44,800)	183,977
Net assets - beginning	<u>491,448</u>	<u>536,248</u>	<u>(44,800)</u>
Net assets - ending	<u>\$ 630,625</u>	<u>\$ 491,448</u>	<u>\$ 139,177</u>

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, 2010

Government–Wide Financial Analysis (continued)

Revenues for governmental activities were \$2,425,506 and expenses were \$2,333,558. The decrease in total revenue is due to several factors. The Standards Aligned Classroom project was not funded which was a decrease of \$394,820. The Office increased a Professional Development Consortium – Local Workshops to fourteen school districts which generated \$123,800, state aid was increased, and grant funding decreased. A new grant, Gifted Education, was received late in FY 09 (June 1, 2009) and will be continued into FY 11 (August 31, 2010).

Statement of Activities
Business-Type Activities

	2010	2009	Increase/ (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 157,030	\$ 105,179	\$ 51,851
General revenues			
Investment earnings	503	857	(354)
Total revenues	157,533	106,036	51,497
Expenses:			
Salaries and benefits	33,571	29,717	3,854
Purchased services	71,502	64,895	6,607
Supplies and materials	10,679	13,023	(2,344)
Depreciation expense	7,028	4,703	2,325
Dues and fees	293	725	(432)
Other	434	-	434
Total expenses	123,507	113,063	10,444
Change in net assets before transfers and contributions	34,026	(7,027)	41,053
Transfers in (out)	(47,229)	3,167	(50,396)
Capital donations	9,826	-	9,826
Change in net assets	(3,377)	(3,860)	483
Net assets - beginning	212,845	216,705	(3,860)
Net assets - ending	\$ 209,468	\$ 212,845	\$ (3,377)

Revenues for the business-type activities were \$157,533 and expenses were \$123,507. This resulted in an overall decrease in total net assets of \$3,377.

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, 2010

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 remained the same at \$280,500.
- There was an increase in the state aid foundation level to \$6,119 per student from \$5,959. 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 fourteen school districts generated \$123,800.
- The Technology conference generated registration and vendor fees.

Proprietary Fund Highlights:

The Regional Office of Education #11's Local Workshop Fund operated at a profit in FY 10. The increase in revenue was due to a Professional Development Consortium increase to 14 school districts.

Budgetary Highlights:

The Regional Office of Education #11 annually adopts budgets although not legally required to do so. 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.

Capital Assets

There were no material changes in fixed assets from the previous year.

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, 2010

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

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 stayed the same at \$6,119 per student for FY 11.
- 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 decrease by approximately 3% for the next fiscal year.
- The Professional Development Consortium - Local Workshops includes fourteen school districts and will generate \$118,575 and the State of Illinois support for professional development activities will decrease from \$72,323 to \$65,268.

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, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 574,659	\$ 140,683	\$ 715,342
Prepaid expenses	-	1,635	1,635
Due from other governments:			
State	244,181	-	244,181
Federal	24,133	-	24,133
Due from (to) other funds	(59,648)	59,648	-
Total Current Assets	783,325	201,966	985,291
Noncurrent Assets:			
Capital assets, net of depreciation	3,175	7,502	10,677
Total Noncurrent Assets	3,175	7,502	10,677
Total Assets	786,500	209,468	995,968
Liabilities			
Current Liabilities:			
Accounts payable	15,850	-	15,850
Payroll liabilities	66,404	-	66,404
Due to other governments:			
State	7,811	-	7,811
Deferred revenue	65,810	-	65,810
Total Current Liabilities	155,875	-	155,875
Net Assets			
Invested in capital assets, net of related debt	3,175	7,502	10,677
Restricted for teacher professional development	93,489	-	93,489
Restricted for local workshops	-	3,600	3,600
Unrestricted	533,961	198,366	732,327
Total Net Assets	\$ 630,625	\$ 209,468	\$ 840,093

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, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Instructional Services:							
Salaries and benefits	\$ 1,124,192	\$ -	\$ 659,513	\$ -	\$ (464,679)	\$ -	\$ (464,679)
Purchased services	355,602	-	95,031	-	(260,571)	-	(260,571)
Supplies and materials	65,849	-	28,813	-	(37,036)	-	(37,036)
Other objects	10,808	-	-	-	(10,808)	-	(10,808)
Depreciation expense	2,404	-	-	-	(2,404)	-	(2,404)
Payments to other governments	343,946	-	53,725	-	(290,221)	-	(290,221)
Administrative:							
On-behalf payments - state	430,757	-	-	-	(430,757)	-	(430,757)
Total governmental activities	<u>2,333,558</u>	<u>-</u>	<u>837,082</u>	<u>-</u>	<u>(1,496,476)</u>	<u>-</u>	<u>(1,496,476)</u>
Business-type activities							
Registration fees	116,479	157,030	-	-	-	40,551	40,551
Capital donations	-	-	-	9,826	-	9,826	9,826
Depreciation	7,028	-	-	-	-	(7,028)	(7,028)
Total business-type activities	<u>123,507</u>	<u>157,030</u>	<u>-</u>	<u>9,826</u>	<u>-</u>	<u>43,349</u>	<u>43,349</u>
Total primary government	<u>\$ 2,457,065</u>	<u>\$ 157,030</u>	<u>\$ 837,082</u>	<u>\$ 9,826</u>	<u>\$ (1,496,476)</u>	<u>\$ 43,349</u>	<u>\$ (1,453,127)</u>
General Revenues:							
Local sources					419,448	-	419,448
State sources					679,595	-	679,595
Federal sources					41,905	-	41,905
On-behalf payments					430,757	-	430,757
Investment earnings					16,719	503	17,222
Transfers					47,229	(47,229)	-
Total general revenues and transfers					<u>1,635,653</u>	<u>(46,726)</u>	<u>1,588,927</u>
Change in net assets					139,177	(3,377)	135,800
Net assets - beginning					<u>491,448</u>	<u>212,845</u>	<u>704,293</u>
Net assets - ending					<u>\$ 630,625</u>	<u>\$ 209,468</u>	<u>\$ 840,093</u>

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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, 2010

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 294,963	\$ 168,549	\$ 95,300	\$ 15,847	\$ -	\$ 574,659
Due from other funds	193,673	-	-	-	(193,673)	-
Due from other governments						
State	44,508	199,673	-	-	-	244,181
Federal	-	24,133	-	-	-	24,133
Total assets	<u>\$ 533,144</u>	<u>\$ 392,355</u>	<u>\$ 95,300</u>	<u>\$ 15,847</u>	<u>\$ (193,673)</u>	<u>\$ 842,973</u>
Liabilities:						
Accounts payable	\$ -	\$ 15,850	\$ -	\$ -	\$ -	\$ 15,850
Payroll liabilities	648	65,756	-	-	-	66,404
Due to other governments						
State	-	6,000	1,811	-	-	7,811
Due to other funds	35,515	217,806	-	-	(193,673)	59,648
Deferred revenue	21,699	190,487	-	-	-	212,186
Total liabilities	<u>57,862</u>	<u>495,899</u>	<u>1,811</u>	<u>-</u>	<u>(193,673)</u>	<u>361,899</u>
Fund Balance (Deficit):						
Unreserved						
General fund	475,282	-	-	-	-	475,282
Special revenue funds	-	(103,544)	93,489	15,847	-	5,792
Total fund balance (deficit)	<u>475,282</u>	<u>(103,544)</u>	<u>93,489</u>	<u>15,847</u>	<u>-</u>	<u>481,074</u>
Total liabilities and fund balance (deficit)	<u>\$ 533,144</u>	<u>\$ 392,355</u>	<u>\$ 95,300</u>	<u>\$ 15,847</u>	<u>\$ (193,673)</u>	<u>\$ 842,973</u>

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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

June 30, 2010

Total Fund balances - governmental funds	\$	481,074
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Because some revenues will not be collected for several months after the Regional Office fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.		146,376
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		<u>3,175</u>
Net assets of governmental activities	\$	<u><u>630,625</u></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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2010

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
Revenues:						
Local sources	\$ 325,003	\$ 48,432	\$ 28,547	\$ 17,466	\$ -	\$ 419,448
State sources	54,025	911,915	-	8,375	-	974,315
State sources- payments made on behalf of region	430,757	-	-	-	-	430,757
Federal sources	109	437,782	-	-	-	437,891
Total Revenues	809,894	1,398,129	28,547	25,841	-	2,262,411
Expenditures:						
Instructional services						
Salaries and benefits	224,745	894,753	500	4,194	-	1,124,192
Purchased services	113,089	207,032	16,361	19,120	-	355,602
Supplies and materials	13,442	48,311	588	3,508	-	65,849
Other objects	6,269	-	4,318	221	-	10,808
Payments to other governments	-	343,946	-	-	-	343,946
Payments made on behalf of region	430,757	-	-	-	-	430,757
Capital outlay	860	642	-	-	-	1,502
Total expenditures	789,162	1,494,684	21,767	27,043	-	2,332,656
Excess (deficiency) of revenues over expenditures	20,732	(96,555)	6,780	(1,202)	-	(70,245)
Other financing sources (uses):						
Transfers in	75,634	12,681	-	-	(41,086)	47,229
Transfers out	(18,031)	(23,055)	-	-	41,086	-
Interest	16,159	312	203	45	-	16,719
Total other financing sources (uses)	73,762	(10,062)	203	45	-	63,948
Net change in fund balances	94,494	(106,617)	6,983	(1,157)	-	(6,297)
Fund balances - beginning	380,788	3,073	86,506	17,004	-	487,371
Fund balance (deficit) - ending	\$ 475,282	\$ (103,544)	\$ 93,489	\$ 15,847	\$ -	\$ 481,074

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, 2010

Net change in fund balances		\$	(6,297)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Because some revenues will not be collected for several months after the Regional Office fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.			
			146,376
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		\$	1,502
Depreciation			(2,404)
			<u>(902)</u>
Change in net assets of governmental activities		\$	<u>139,177</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 NET ASSETS
PROPRIETARY FUNDS

JUNE 30, 2010

	Business-Type Activities- Enterprise Funds
	Local Workshops
Assets:	
Current assets:	
Cash and cash equivalents	\$ 140,683
Prepaid expenses	1,635
Due from other funds	59,648
Total current assets	201,966
Noncurrent assets:	
Capital assets, being depreciated, net	7,502
Total noncurrent assets	7,502
Total assets	\$ 209,468
Net assets	
Invested in capital assets	7,502
Restricted for local workshops	3,600
Unrestricted	198,366
Total net assets	\$ 209,468

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, 2010

	Business-Type Activities - Enterprise Funds
	Local Workshops
Operating revenues:	
Local sources	\$ 157,030
Total operating revenues	157,030
Operating expenses:	
Salaries and benefits	33,571
Purchased services	71,502
Supplies and materials	10,679
Dues and fees	293
Other	434
Depreciation	7,028
Total operating expenses	123,507
Operating income	33,523
Nonoperating revenues:	
Interest income	503
Total nonoperating revenue	503
Income before transfers and contributions	34,026
Transfers in	22,753
Transfers out	(69,982)
Capital donations	9,826
Change in net assets	(3,377)
Total net assets - beginning	212,845
Total net assets - ending	\$ 209,468

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, 2010

	Business-Type Activities- Enterprise Funds
	Local Workshops
Cash flows from operating activities:	
Workshop receipts	\$ 157,030
Payments to providers of services	(82,908)
Payments to employees	(33,571)
Net cash provided by operating activities	40,551
Cash flows from noncapital financing activities:	
Advances to other funds	(59,648)
Cash transfers from other funds	22,753
Cash transfers to other funds	(69,982)
Net cash (used for) noncapital financing activities	(106,877)
Cash flows from investing activities:	
Interest received on investments	503
Net cash provided by investing activities	503
Net (decrease) in cash and cash equivalents	(65,823)
Cash and cash equivalents - beginning	206,506
Cash and cash equivalents - ending	\$ 140,683
Reconciliation of operating income to net cash provided by (used for) operating activities:	
Operating income	\$ 33,523
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	7,028
Net cash provided by operating activities	\$ 40,551

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, 2010

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 700
Due from other governments	<u> 10,711,013</u>
Total Assets	<u><u>\$ 10,711,713</u></u>
Liabilities	
Due to other governments	<u>\$ 10,711,713</u>
Total Liabilities	<u><u>\$ 10,711,713</u></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 FINANCIAL STATEMENTS

For the Year Ended June 30, 2010

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 2010, the Regional Office of Education #11 implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; and GASB No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The Regional Office of Education #11 implemented these standards during the current year; however, GASB No. 45, 51, 53 and 58 had no significant impact on the financial statements.

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 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; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining 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.

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, 2010, 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).

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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.

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, typically 60 days, 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. Revenue received after the Regional Office's availability period is reported as deferred revenue in the fund statements and is reported as current revenue in the Statement of Activities.

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

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.

Direct Service - This fund is used to account for interest that is earned on deposits in the Distributive Fund's interest-bearing checking account. General state aid funds were also deposited to assist with purchased services and other expenses paid from this fund.

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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.

Gifted - This state grant trains teachers to work with highly intelligent students.

Homeless - This program accounts for federal funds expended to facilitate the educational success of homeless children and youths.

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.

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 I - Reading First - This federal program focuses on putting proven methods of early reading instruction in classroom.

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 support payments of state aid during the fiscal year.

Other Federal Programs - This program is to improve the education of limited English proficient children and youths.

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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:

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.

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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."

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit.

INVENTORY

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

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.

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

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, Gifted, Homeless, Standards Aligned Classroom Statewide Professional Development, Truant Alternative/Optional Education, Regional Safe Schools, Title I - Reading First, Title II – Teacher Quality, and Other Federal Programs.

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.

A. DEPOSITS

At June 30, 2010, the carrying amount of the Regional Office of Education #11's government-wide and Agency fund deposits were \$715,342 and \$700, respectively, and the bank balances were \$783,388 and \$924,927, respectively. At June 30, 2010, \$437,323 of the Regional Office of Education #11's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$331,683 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, 2010, the Regional Office of Education #11 had investments with carrying and fair value of \$14,382 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2010, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

2 DEPOSITS AND INVESTMENTS (Continued)

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.

3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND

A. 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.

B. 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 statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 5.92 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.

C. ANNUAL PENSION COST

For fiscal year ending December 31, 2009, the Regional Office of Education #11's annual pension cost of \$12,783 for the Regular plan was equal to the Regional Office of Education #11's required and actual contributions.

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$ 12,783	100%	\$ -
12/31/08	23,506	100%	-
12/31/07	19,855	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10.0% 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 Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007, valuation was 5 years.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

D. FUNDED STATUS AND FUNDING PROGRESS

As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 67.74 percent funded. The actuarial accrued liability for benefits was \$468,559 and the actuarial value of assets was \$317,411, resulting in an underfunded actuarial accrued liability (UAAL) of \$151,148. The covered payroll (annual payroll of active employees covered by the plan) was \$215,933 and the ratio of the UAAL to the covered payroll was and the ratio of the UAAL to the covered payroll was 70 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10 year basis.

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.

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 the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2010, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2009 and 2008.

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

ON BEHALF CONTRIBUTIONS TO TRS

The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #11. For the year ended June 30, 2010, state of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #11 recognized revenue and expenditures of \$201,139 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2009 and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08 percent (\$113,731) and 13.11 percent (\$81,459), respectively.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

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

The region makes other types of employer contributions directly to TRS:

2.2 FORMULA CONTRIBUTIONS

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2010 were \$4,355. Contributions for the years ending June 30, 2009, and June 30, 2008, were \$3,921 and \$3,603, 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 for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$79,405 were paid from federal and special trust funds that required employer contributions of \$18,565. For the years ended June 30, 2009, and June 30, 2008, required Regional Office of Education #11 contributions were \$1,725 and \$1,068, respectively.

EARLY RETIREMENT OPTION (ERO)

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.

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

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

For the years ended June 30, 2010, 2009 and 2008, the Regional Office of Education #11 paid no employer contributions to TRS under the ERO program.

SALARY INCREASE OVER 6 PERCENT AND EXCESS SICK LEAVE

Public Act 94-0004 added two additional 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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

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

For the years ended June 30, 2010, 2009 and 2008, the Regional Office of Education #11 paid no 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 (18.55 percent of salary during the year ended June 30, 2010).

For the years ended June 30, 2010, 2009 and 2008, the Regional Office of Education #11 paid no employer contributions to TRS for sick leave days granted in excess of the normal annual allotment.

FURTHER INFORMATION ON TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2009. The report for June 30, 2010, is expected to be available in late 2010.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 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.

5 TEACHER HEALTH INSURANCE SECURITY FUND

The Regional Office of Education #11 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

5 TEACHER HEALTH INSURANCE SECURITY FUND (Continued)

ON BEHALF CONTRIBUTIONS TO THIS FUND

The state of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #11. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$6,284, and the Regional Office of Education #11 recognized revenue and expenditures of this amount during the year.

Had the Regional Office of Education #11 recognized revenue and expenditures for State contributions intended to match active member contributions during the years ended June 30, 2009 and June 30, 2008 under the current standards, the contribution match would have been 0.84 percent of pay or \$5,677 and \$5,218, respectively.

EMPLOYER CONTRIBUTIONS TO THIS FUND

The Regional Office of Education #11 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.63 percent during the years ended June 30, 2010, June 30, 2009, and June 30, 2008. For the years ended June 30, 2010, 2009 and 2008, the Regional Office of Education #11 paid \$4,713, \$4,259 and \$3,914, respectively, to the THIS Fund.

FURTHER INFORMATION ON THIS FUND

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

6 DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2010 consist of the following individual due to/from other funds in the governmental fund balance sheet and in the proprietary fund balance sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Assets.

Fund	Due From Other Funds	Due To Other Funds
General Fund		
County Support	\$ 193,673	\$ -
ROE/ISC Operations		35,515
Education Fund		
Illinois Violence Prevention Authority	-	6,652
Regional Safe Schools	-	119,818
Truants Alternative/Optional Education	-	67,203
Area IV - System of Support	-	24,133
Proprietary Fund		
Local Enterprise	59,648	-
	<u>\$ 253,321</u>	<u>\$ 253,321</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

7 ON BEHALF PAYMENTS

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

Regional Superintendent Salary	\$	100,762
Regional Superintendent Fringe Benefit (Includes State paid insurance)		19,987
Assistant Regional Superintendent Salary		90,686
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)		11,899
Contributions to TRS and THIS		<u>207,423</u>
 Total	 \$	 <u><u>430,757</u></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.

8 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, 2010:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Governmental Activities:				
General Funds				
County Support	\$ 58,848	\$ 860	\$ 11,319	\$ 48,389
ROE/ISC Operations	4,664	-	-	4,664
Direct Services	141	-	-	141
Total for General Funds	<u>63,653</u>	<u>860</u>	<u>11,319</u>	<u>53,194</u>
Special Revenue Funds				
General Education Development Institute	400	-	-	400
	<u>565</u>	<u>-</u>	<u>-</u>	<u>565</u>
Total for Special Revenue Funds	<u>965</u>	<u>-</u>	<u>-</u>	<u>965</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

8 CAPITAL ASSETS (Continued)

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Education Funds				
Area IV - System of Support	\$ 3,156	\$ -	\$ -	\$ 3,156
Regional Safe Schools	67,142	-	-	67,142
Youth Services	16,423	642	-	17,065
Title I - Reading First Part B SEA	3,498	-	1,068	2,430
Title II - Teacher Quality	890	-	-	890
Technology Enhancing Education	7,244	-	-	7,244
Total for Education Funds	<u>98,353</u>	<u>642</u>	<u>1,068</u>	<u>97,927</u>
Total - Governmental Funds	162,971	1,502	12,387	152,086
Less: Accumulated Depreciation	<u>158,894</u>	<u>2,404</u>	<u>12,387</u>	<u>148,911</u>
Investment in Capital Assets, Net				
Governmental Activities	<u>\$ 4,077</u>	<u>\$ (902)</u>	<u>\$ -</u>	<u>\$ 3,175</u>
	Balance			Balance
	July 1, 2009	Additions	Deletions	June 30, 2010
Business-Type Activities:				
Local Workshops	\$ 27,835	\$ 9,826	\$ 1,520	\$ 36,141
Less: Accumulated Depreciation	<u>23,131</u>	<u>7,028</u>	<u>1,520</u>	<u>28,639</u>
Investment in Capital Assets, Net	<u>\$ 4,704</u>	<u>\$ 2,798</u>	<u>\$ -</u>	<u>\$ 7,502</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2010 of \$2,404 and \$7,028 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.

9 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.

10 INTERFUND ACTIVITY

Interfund transfer in/out to other fund balances at June 30, 2010 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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

10 INTERFUND ACTIVITY (Continued)

Fund	Transfer In	Transfer Out
General Fund		
ROE/ISC Operations	\$ 50,000	\$ -
County Support	9,608	16,026
Direct Service	16,026	2,005
Education Fund		
Standards Aligned Classroom		
Statewide Professional Development	-	102
Truants Alternative/Optional Education	-	1,370
Youth Service	2,000	7,630
Area IV - System of Support	10,681	13,453
Illinois Violence Prevention Authority	-	500
Proprietary Fund		
Local Enterprise	22,753	69,982
	<u>\$ 111,068</u>	<u>\$ 111,068</u>

11 DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #11's Agency Fund, General Fund, Institute 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	\$ 10,711,013
Education Fund	
Illinois State Board of Education	199,673
Regional Office of Education #32	24,133
General Fund	
Illinois State Board of Education	44,508
Total	<u>\$ 10,979,327</u>

Due to Other Governments:

Institute Fund	
Illinois State Board of Education	\$ 1,811
Agency Fund	
Local School Districts	10,711,713
Education Fund	
Illinois State Board of Education	6,000
Total	<u>\$ 10,719,524</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2010

12 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, 2010 rentals under lease obligations were \$66,300. Future minimum rentals are as follows for the years ending June 30:

	2011	\$	58,310
	2012		57,060
	2013		49,260
	2014		47,185
	2015		44,280
	2016-2020		221,400
	2021		18,450
Total		\$	495,945

13 OTHER POSTEMPLOYMENT BENEFITS

The Regional Office of Education #11 has evaluated its potential other post employment benefits liability. Former employees who choose to retain their rights to health insurance through the Regional Office of Education #11 are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Regional Office of Education #11's health insurance plan. Therefore, there has been zero percent utilization and therefore no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Regional Office of Education #11 had no former employees for which the Regional Office of Education #11 was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Regional Office of Education #11 has not recorded any post employment benefit liability as of June 30, 2010.

14 OTHER REQUIRED FUND DISCLOSURES

Deficit fund balances at June 30, 2010 are as follows:

Truants Alternative/Optional Education	\$	44,801
Regional Safe Schools	\$	79,876

15 FUTURE FINANCIAL STATEMENT PRESENTATION CHANGES

In February 2009, the Governmental Accounting Standards Board issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The Regional Office of Education #11 has not elected early implementation of this Statement. The Regional Office of Education #11 is required to implement GASB Statement 54 for the year ended June 30, 2011 in order for its financial statements to be issued in accordance with generally accepted accounting principles. The Regional Office of Education #11 does not expect that the adoption of Statement No. 54 will have a material effect on its financial position or results of operations.

REQUIRED SUPPLEMENTARY 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, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	317,411	468,559	151,148	67.74%	215,933	70.00%
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%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$289,302.

On a market basis, the funded ratio would be 61.74%.

See accompanying Independent Auditor's Report.

SUPPLEMENTAL INFORMATION

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

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

JUNE 30, 2010

	<u>County Support</u>	<u>Direct Service</u>	<u>ROE/ISC Operations</u>	<u>TOTALS</u>
Assets				
Cash and cash equivalents	\$ 135,554	\$ 80,837	\$ 78,572	\$ 294,963
Due from other funds	193,673	-	-	193,673
Due from other governments	8,345	-	36,163	44,508
Total assets	<u>\$ 337,572</u>	<u>\$ 80,837</u>	<u>\$ 114,735</u>	<u>\$ 533,144</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ 35,515	\$ 35,515
Payroll liabilities	-	-	648	648
Deferred revenue	-	-	21,699	21,699
Total liabilities	<u>-</u>	<u>-</u>	<u>57,862</u>	<u>57,862</u>
Fund balances				
Unreserved	<u>337,572</u>	<u>80,837</u>	<u>56,873</u>	<u>475,282</u>
Total liabilities and fund balances	<u>\$ 337,572</u>	<u>\$ 80,837</u>	<u>\$ 114,735</u>	<u>\$ 533,144</u>

See accompanying Independent Auditor's Report.

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, 2010

	County Support	Direct Service	ROE/ISC Operations	TOTALS
Revenues				
Local sources	\$ 289,255	\$ 35,748	\$ -	\$ 325,003
State sources	52	3,349	50,624	54,025
State sources-payments made on behalf of region	430,757	-	-	430,757
Federal sources	-	109	-	109
	<u>720,064</u>	<u>39,206</u>	<u>50,624</u>	<u>809,894</u>
Expenditures				
Salaries and benefits	158,830	-	65,915	224,745
Purchased services	46,281	65,183	1,625	113,089
Supplies and materials	8,659	-	4,783	13,442
Other objects	292	5,977	-	6,269
Payments made on behalf of region	430,757	-	-	430,757
Capital outlay	860	-	-	860
	<u>645,679</u>	<u>71,160</u>	<u>72,323</u>	<u>789,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>74,385</u>	<u>(31,954)</u>	<u>(21,699)</u>	<u>20,732</u>
Other financing sources (uses)				
Transfers in	9,608	16,026	50,000	75,634
Transfers out	(16,026)	(2,005)	-	(18,031)
Interest	1,421	13,842	896	16,159
	<u>(4,997)</u>	<u>27,863</u>	<u>50,896</u>	<u>73,762</u>
Net change in fund balances	69,388	(4,091)	29,197	94,494
Fund balance - beginning	<u>268,184</u>	<u>84,928</u>	<u>27,676</u>	<u>380,788</u>
Fund balance - ending	<u>\$ 337,572</u>	<u>\$ 80,837</u>	<u>\$ 56,873</u>	<u>\$ 475,282</u>

See accompanying Independent Auditor's Report.

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, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 72,323	\$ 72,323	\$ 50,624
Total revenues	<u>72,323</u>	<u>72,323</u>	<u>50,624</u>
Expenditures			
Salaries and benefits	65,915	65,915	65,915
Purchased services	1,625	1,625	1,625
Supplies and materials	4,783	4,783	4,783
Total expenditures	<u>72,323</u>	<u>72,323</u>	<u>72,323</u>
Excess (deficiency) of revenues Over expenditures	<u>-</u>	<u>-</u>	<u>(21,699)</u>
Other financing sources			
Transfer in	-	-	50,000
Interest	-	-	896
Total other financing sources	<u>-</u>	<u>-</u>	<u>50,896</u>
Net change in fund balance	-	-	29,197
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>27,676</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,873</u>

See accompanying Independent Auditor's Report.

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

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS

JUNE 30, 2010

	Title IV - Safe & Drug Free School - Formula	Pathways	Gifted	Homeless	Illinois Violence Prevention Authority
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 53,764	\$ 1,240	\$ -
Due from other governments:					
State	-	-	-	-	6,652
Federal	-	-	-	-	-
Total assets	\$ -	\$ -	\$ 53,764	\$ 1,240	\$ 6,652
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll liabilities	-	-	13	1,240	-
Due to other funds	-	-	-	-	6,652
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	53,751	-	-
Total liabilities	-	-	53,764	1,240	6,652
Fund balances					
Unreserved	-	-	-	-	-
Total fund balances	-	-	-	-	-
Total liabilities and fund balance (deficit)	\$ -	\$ -	\$ 53,764	\$ 1,240	\$ 6,652

See accompanying Independent Auditor's Report.

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

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS

JUNE 30, 2010

	Standards Aligned Classroom Statewide Professional Development	Truants Alternative/ Optional Education	Regional Safe Schools	Youth Services	Title I - Reading First
Assets					
Cash and cash equivalents	\$ -	\$ 11,582	\$ 16,140	\$ 73,764	\$ 12,059
Due from other governments:					
State	-	67,203	119,818	6,000	-
Federal	-	-	-	-	-
Total assets	\$ -	\$ 78,785	\$ 135,958	\$ 79,764	\$ 12,059
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 15,850	\$ -
Payroll liabilities	-	11,582	16,140	36,781	-
Due to other funds	-	67,203	119,818	-	-
Due to other governments	-	-	-	6,000	-
Deferred revenue	-	44,801	79,876	-	12,059
Total liabilities	-	123,586	215,834	58,631	12,059
Fund balance (deficit)					
Unreserved	-	(44,801)	(79,876)	21,133	-
Total fund balance (deficit)	-	(44,801)	(79,876)	21,133	-
Total liabilities and fund balance (deficit)	\$ -	\$ 78,785	\$ 135,958	\$ 79,764	\$ 12,059

See accompanying Independent Auditor's Report.

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

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS

JUNE 30, 2010

	Title II - Teacher Quality	Area IV - System of Support	ARRA General State Aid - Federal Portion	Other Federal Programs	Total
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 168,549
Due from other governments:					-
State	-	-	-	-	199,673
Federal	-	24,133	-	-	24,133
Total assets	\$ -	\$ 24,133	\$ -	\$ -	\$ 392,355
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 15,850
Payroll liabilities	-	-	-	-	65,756
Due to other funds	-	24,133	-	-	217,806
Due to other governments	-	-	-	-	6,000
Deferred revenue	-	-	-	-	190,487
Total liabilities	-	24,133	-	-	495,899
Fund balance (deficit)					
Unreserved	-	-	-	-	(103,544)
Total fund balance (deficit)	-	-	-	-	(103,544)
Total liabilities and fund balance (deficit)	\$ -	\$ 24,133	\$ -	\$ -	\$ 392,355

See accompanying Independent Auditor's Report.

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, 2010

	Title IV - Safe & Drug Free School - Formula	Pathways	Gifted	Homeless	Illinois Violence Prevention Authority
Revenues					
Local sources	\$ -	\$ 42,350	\$ -	\$ -	\$ -
State sources	-	-	39,197	-	19,593
Federal sources	221	-	-	20,605	-
	<u>221</u>	<u>42,350</u>	<u>39,197</u>	<u>20,605</u>	<u>19,593</u>
Total revenues	<u>221</u>	<u>42,350</u>	<u>39,197</u>	<u>20,605</u>	<u>19,593</u>
Expenditures					
Salaries and benefits	-	-	17,218	14,576	16,121
Purchased services	-	-	12,741	5,407	2,453
Supplies and materials	221	-	9,420	632	524
Payments to other governments	-	42,350	-	-	-
Capital outlay	-	-	-	-	-
	<u>-</u>	<u>42,350</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>221</u>	<u>42,350</u>	<u>39,379</u>	<u>20,615</u>	<u>19,098</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(182)</u>	<u>(10)</u>	<u>495</u>
Other financing sources (uses):					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	(500)
Interest	-	-	182	10	5
	<u>-</u>	<u>-</u>	<u>182</u>	<u>10</u>	<u>(495)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>182</u>	<u>10</u>	<u>(495)</u>
Net change in fund balances	-	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

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, 2010

	Standards Aligned Classroom Statewide Professional Development	Truants Alternative/ Optional Education	Regional Safe Schools	Youth Services	Title I - Reading First
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ 6,082	\$ -
State sources	-	67,345	119,826	665,954	-
Federal sources	5,180	-	-	66,000	6,893
Total revenues	5,180	67,345	119,826	738,036	6,893
Expenditures					
Salaries and benefits	-	106,692	198,977	325,197	-
Purchased services	5,078	4,084	725	113,591	6,903
Supplies and materials	-	-	-	24,089	-
Payments to other governments	-	-	-	247,852	-
Capital outlay	-	-	-	642	-
Total expenditures	5,078	110,776	199,702	711,371	6,903
Excess (deficiency) of revenues over expenditures	102	(43,431)	(79,876)	26,665	(10)
Other financing sources (uses):					
Transfer in	-	-	-	2,000	-
Transfer out	(102)	(1,370)	-	(7,630)	-
Interest	-	-	-	98	10
Total other financing sources (uses)	(102)	(1,370)	-	(5,532)	10
Net change in fund balances	-	(44,801)	(79,876)	21,133	-
Fund balances - beginning	-	-	-	-	-
Fund balance (deficit) - ending	\$ -	\$ (44,801)	\$ (79,876)	\$ 21,133	\$ -

See accompanying Independent Auditor's Report.

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, 2010

	Title II - Teacher Quality	Area IV - System of Support	ARRA General State Aid - Federal Portion	Other Federal Programs	TOTAL
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 48,432
State sources	-	-	-	-	911,915
Federal sources	1,556	209,724	125,603	2,000	437,782
Total revenues	1,556	209,724	125,603	2,000	1,398,129
Expenditures					
Salaries and benefits	-	144,107	71,865	-	894,753
Purchased services	1,557	53,534	-	959	207,032
Supplies and materials	-	12,384	-	1,041	48,311
Payments to other governments	-	-	53,744	-	343,946
Capital outlay	-	-	-	-	642
Total expenditures	1,557	210,025	125,609	2,000	1,494,684
Excess (deficiency) of revenues over expenditures	(1)	(301)	(6)	-	(96,555)
Other financing sources (uses):					
Transfer in	-	10,681	-	-	12,681
Transfer out	-	(13,453)	-	-	(23,055)
Interest	1	-	6	-	312
Total other financing sources (uses)	1	(2,772)	6	-	(10,062)
Net change in fund balances	-	(3,073)	-	-	(106,617)
Fund balances - beginning	-	3,073	-	-	3,073
Fund balance (deficit) - ending	\$ -	\$ -	\$ -	\$ -	\$ (103,544)

See accompanying Independent Auditor's Report.

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, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 221	\$ 221	\$ 221
Total revenues	221	221	221
Expenditures			
Supplies and materials	221	221	221
Total expenditures	221	221	221
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance -beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
GIFTED

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State	\$ 92,948	\$ 92,948	\$ 39,197
Total revenues	<u>92,948</u>	<u>92,948</u>	<u>39,197</u>
Expenditures			
Salaries and benefits	24,036	29,517	17,218
Purchased services	38,912	36,843	12,741
Supplies and materials	30,000	26,588	9,420
Total expenditures	<u>92,948</u>	<u>92,948</u>	<u>39,379</u>
(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(182)</u>
Other Financing Sources			
Interest	-	-	182
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>182</u>
Net change in fund balance	-	-	-
Fund balance -beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
HOMELESS

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 20,605	\$ 20,605	\$ 20,605
Total revenues	20,605	20,605	20,605
Expenditures			
Salaries and benefits	13,950	13,950	14,576
Purchased services	6,055	6,055	5,407
Supplies and materials	600	600	632
Total expenditures	20,605	20,605	20,615
(Deficiency) of revenues over expenditures	-	-	(10)
Other Financing Sources			
Interest	-	-	10
Total Other Financing Sources	-	-	10
Net change in fund balance	-	-	-
Fund balance -beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

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, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 5,180	\$ 5,180	\$ 5,180
Total revenues	<u>5,180</u>	<u>5,180</u>	<u>5,180</u>
Expenditures			
Purchased services	<u>5,180</u>	<u>5,180</u>	<u>5,078</u>
Total expenditures	<u>5,180</u>	<u>5,180</u>	<u>5,078</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>102</u>
Other financing (uses)			
Transfer out	<u>-</u>	<u>-</u>	<u>(102)</u>
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(102)</u>
Net change in fund balance	-	-	-
Fund balance -beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE: The above presentation does not include \$394,820 expended during the year ended June 30, 2009.

See accompanying Independent Auditor's Report.

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, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 112,007	\$ 112,007	\$ 67,345
Total revenues	<u>112,007</u>	<u>112,007</u>	<u>67,345</u>
Expenditures			
Salaries and benefits	106,487	106,487	106,692
Purchased services	5,520	5,520	4,084
Supplies and materials	-	-	-
Total expenditures	<u>112,007</u>	<u>112,007</u>	<u>110,776</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(43,431)</u>
Other Financing (Uses)			
Transfer out	<u>-</u>	<u>-</u>	<u>(1,370)</u>
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>(1,370)</u>
Net change in fund balance	-	-	(44,801)
Fund balance -beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,801)</u>

See accompanying Independent Auditor's Report.

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, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 199,702	\$ 199,702	\$ 119,826
Total revenues	<u>199,702</u>	<u>199,702</u>	<u>119,826</u>
Expenditures			
Salaries and benefits	197,062	197,062	198,977
Purchased services	<u>2,640</u>	<u>2,640</u>	<u>725</u>
Total expenditures	<u>199,702</u>	<u>199,702</u>	<u>199,702</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(79,876)</u>
Net change in fund balance	-	-	(79,876)
Fund balance -beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (79,876)</u>

See accompanying Independent Auditor's Report.

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

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE I - READING FIRST

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 18,952	\$ 18,952	\$ 6,893
Total revenues	<u>18,952</u>	<u>18,952</u>	<u>6,893</u>
Expenditures			
Salaries and benefits	947	947	-
Purchased services	<u>18,005</u>	<u>18,005</u>	<u>6,903</u>
Total expenditures	<u>18,952</u>	<u>18,952</u>	<u>6,903</u>
(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(10)</u>
Other Financing Sources			
Interest	<u>-</u>	<u>-</u>	<u>10</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>10</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

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, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 1,556	\$ 1,556	\$ 1,556
Total revenues	<u>1,556</u>	<u>1,556</u>	<u>1,556</u>
Expenditures			
Salaries and benefits	-	-	-
Purchased services	1,556	1,556	1,557
Total expenditures	<u>1,556</u>	<u>1,556</u>	<u>1,557</u>
(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(1)</u>
Other Financing Sources			
Interest	-	-	1
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>1</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

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, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 2,000	\$ 2,000	\$ 2,000
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Expenditures			
Purchased services	1,000	1,000	959
Supplies and materials	<u>1,000</u>	<u>1,000</u>	<u>1,041</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,000</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>

See accompanying Independent Auditor's Report.

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2010

	General Education Development	Bus Driver Training	Supervisory	TOTALS
Assets				
Cash and cash equivalents	\$ 7,349	\$ 8,320	\$ 178	\$ 15,847
Total assets	\$ 7,349	\$ 8,320	\$ 178	\$ 15,847
Liabilities				
Due to other governments	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Fund balances				
Unreserved	7,349	8,320	178	15,847
Total fund balances	7,349	8,320	178	15,847
Total liabilities and fund balances	\$ 7,349	\$ 8,320	\$ 178	\$ 15,847

See accompanying Independent Auditor's Report.

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, 2010

	General Education Development	Bus Driver Training	Supervisory	TOTALS
Revenues				
Local sources	\$ 15,051	\$ 2,415	\$ -	\$ 17,466
State sources	-	1,375	7,000	8,375
Total revenues	15,051	3,790	7,000	25,841
Expenditures				
Salaries and benefits	4,194	-	-	4,194
Purchased services	6,631	3,709	8,780	19,120
Supplies and materials	3,248	260	-	3,508
Other objects	221	-	-	221
Total expenditures	14,294	3,969	8,780	27,043
Excess (deficiency) of revenues over expenditures	757	(179)	(1,780)	(1,202)
Other financing sources (uses)				
Interest	19	22	4	45
Total other financing sources (uses)	19	22	4	45
Net change in fund balances	776	(157)	(1,776)	(1,157)
Fund balances - beginning	6,573	8,477	1,954	17,004
Fund balances - ending	<u>\$ 7,349</u>	<u>\$ 8,320</u>	<u>\$ 178</u>	<u>\$ 15,847</u>

See accompanying Independent Auditor's Report.

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

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS

JUNE 30, 2010

	<u>Distributive</u>	<u>Regional Trustee Fund</u>	<u>Payroll Clearing Fund</u>	<u>TOTALS</u>
Assets				
Cash and cash equivalents	\$ -	\$ 700	\$ -	\$ 700
Due from other governments	10,711,013	-	-	10,711,013
	<u>10,711,013</u>	<u>-</u>	<u>-</u>	<u>10,711,013</u>
Total assets	<u>\$ 10,711,013</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 10,711,713</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	10,711,013	700	-	10,711,713
	<u>10,711,013</u>	<u>700</u>	<u>-</u>	<u>10,711,713</u>
Total liabilities	<u>\$ 10,711,013</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 10,711,713</u>

See accompanying Independent Auditor's Report.

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, 2010

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>DISTRIBUTIVE</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 72,360,614	\$ 72,360,614	\$ -
Due from other governments	12,045,263	10,711,013	12,045,263	10,711,013
Total assets	<u>\$ 12,045,263</u>	<u>\$ 83,071,627</u>	<u>\$ 84,405,877</u>	<u>\$ 10,711,013</u>
Liabilities				
Due to other governments	\$ 12,045,263	\$ 83,071,627	\$ 84,405,877	\$ 10,711,013
Total liabilities	<u>\$ 12,045,263</u>	<u>\$ 83,071,627</u>	<u>\$ 84,405,877</u>	<u>\$ 10,711,013</u>
<u>REGIONAL TRUSTEE FUND</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 700	\$ -	\$ 700
Due from other governments	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 700</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	700	-	700
Total liabilities	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 700</u>

See accompanying Independent Auditor's Report.

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, 2010

	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	<u>\$ 66,051</u>	<u>\$ -</u>	<u>\$ 66,051</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ 66,051	\$ -	\$ 66,051	\$ -
Total liabilities	<u>\$ 66,051</u>	<u>\$ -</u>	<u>\$ 66,051</u>	<u>\$ -</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ 66,051	\$ 72,361,314	\$ 72,426,665	\$ 700
Due from other governments	12,045,263	10,711,013	12,045,263	10,711,013
Total assets	<u>\$ 12,111,314</u>	<u>\$ 83,072,327</u>	<u>\$ 84,471,928</u>	<u>\$ 10,711,713</u>
Liabilities				
Accounts payable	\$ 66,051	\$ -	\$ 66,051	\$ -
Due to other governments	12,045,263	83,072,327	84,405,877	10,711,713
Total liabilities	<u>\$ 12,111,314</u>	<u>\$ 83,072,327</u>	<u>\$ 84,471,928</u>	<u>\$ 10,711,713</u>

See accompanying Independent Auditor's Report.

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, 2010

Program Description	Program Number	Marshall CUSD #C-2	Martinsville CUSD #C-3	Casey Westfield CUSD #C-4	Mattoon CUSD #2	Oakland CUSD #5	Neoga CUSD #3	Cumberland CUSD #77	Arthur CUSD #305
General State Aid - Sec. 18-8	3001	\$ 4,768,199	\$ 1,392,061	\$ 3,817,363	\$ 8,985,829	\$ 966,662	\$ 2,845,530	\$ 3,490,837	\$ 625,430
State Aid Hold Harmless	3002								118,659
Transition Assistance	3009								
Sp. Ed. - Private Facility Tuition	3100	37,450			11,742			1,767	
Sp. Ed. - Extraordinary	3105	157,760	46,147	122,938	381,647	37,415	136,688	110,236	52,613
Sp. Ed. - Personnel	3110	176,521	27,076	153,152	576,913	27,278	63,224	130,251	65,817
Sp. Ed. - Orphanage - Individual	3120			6,940	1,628				13,051
Sp. Ed. - Summer School	3145								
Bilingual Ed. - Downstate - TPI & TBE	3305								
Gifted Education	3350								
State Free Lunch & Breakfast	3360	6,519	3,228	6,311	23,836	2,800	5,470	4,450	1,806
School Breakfast Incentive	3365	145	48	455	923	24	106		134
Driver Education	3370	20,245	3,738	15,487	39,677	3,218	10,832	13,461	8,489
Transportation - Regular & Vocational	3500	421,656	186,739	356,770	517,076	169,087	203,837	482,170	112,891
Transportation - Special Education	3510	110,696	54,970	130,981	269,780	74,589	114,734	144,800	69,588
ROE School Bus Driver Training	3520								
Truants Alternative/Operational Ed.	3695								
Regional Safe Schools	3696								
Early Childhood - Block Grant	3705			-	740,830				
Reading Improvement Block Grant	3715	20,768	5,705	17,075	53,066	5,858	11,013	14,823	11,344
ROE/ISC Operations	3730								
Supervisory Expense	3745								
ADA Safety & Educational Block Grant	3775	6,133	1,650	4,639	13,103	1,374	3,353	4,178	2,103
Arts, Education & Foreign Language	3962	8,701							
Children Mental Health	3990	50,500							
National School Lunch Program	4210	164,816	53,290	171,044	629,308	47,078	104,231	157,510	48,426
Special Milk Program	4215								-
School Breakfast Program	4220	28,004	15,255	60,303	198,698	13,080	35,625		4,951
IASA - Title I - Low Income	4300	185,487	55,043	317,758	697,175	141,248	79,059	226,828	217,079
IASA - Even Start	4335				3,519				
Title I Reading 1st Part	4337				18,952				
Title IV - Safe & Drug Free Schools - Formula	4400	4,041	1,165	4,532	16,170	1,990	1,107	3,392	1,828
Special Ed IDEA	4625	4,912	5,053		1,962		3,516	5,897	31
ARRA-General State Aid+-B16-Sec. 18-8	4850	795,687	232,527	637,292	1,501,189	161,401	404,615	582,679	105,595
ARRA-Title I-Low Income	4851	87,928	26,400	60,560	289,193	30,295	19,623	59,812	67,422
ARRA-Tech-Enhancing Education	4861	470,874	247,656						
ARRA-NSLP	4863								
ARRA-State Aid	4870	265,023	77,417	212,224	499,311	53,742	180,715	194,103	35,050
Title II - Teacher Quality	4932	56,623	25,189	69,304	259,308	19,316	42,713	58,568	104,579
Technology Enhancing Education - Formula	4971	1,452	531	2,465	7,034	1,645	710	1,859	3,814
I-KAN Technology Enhancing Education	4972	34,077							
Other Federal Programs	4999								
		<u>\$ 7,884,217</u>	<u>\$ 2,460,888</u>	<u>\$ 6,167,593</u>	<u>\$ 15,737,869</u>	<u>\$ 1,758,100</u>	<u>\$ 4,266,701</u>	<u>\$ 5,687,621</u>	<u>\$ 1,670,700</u>

See accompanying Independent Auditor's Report.

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, 2010

Program Description	Program Number	Arcola CUSD #306	Shiloh CUSD #1	Kansas CUSD #3	Paris Crestwood CUSD #4	Lovington CUSD #303	Cowden Herrick CUSD #3A	Shelbyville CUSD #4
General State Aid - Sec. 18-8	3001	\$ 2,298,701	\$ 699,083	\$ 697,718	\$ 1,937,953	\$ 887,944	\$ 1,854,645	\$ 3,511,751
State Aid Hold Harmless	3002							
Transition Assistance	3009			5,029	10,870			
Sp. Ed. - Private Facility Tuition	3100			2,326				369
Sp. Ed. - Extraordinary	3105	80,428	50,124	28,631	77,747	34,596	51,512	133,023
Sp. Ed. - Personnel	3110	133,410	63,606	20,221	57,836	60,231	57,775	188,668
Sp. Ed. - Orphanage - Individual	3120							34,227
Sp. Ed. - Summer School	3145							
Bilingual Ed. - Downstate - TPI & TBE	3305	13,376						
Gifted Education	3350							
State Free Lunch & Breakfast	3360	4,451	4,992	2,260	2,132	2,689	3,964	5,000
School Breakfast Incentive	3365	75	348	65		37	86	31
Driver Education	3370	7,112	5,521	2,293	9,252	3,537	7,448	14,879
Transportation - Regular & Vocational	3500	87,316	172,033	74,284	258,925	58,302	171,656	219,530
Transportation - Special Education	3510	142,134	87,417	8,568	35,496	50,434	84,537	79,852
ROE School Bus Driver Training	3520							
Truants Alternative/Operational Ed.	3695							
Regional Safe Schools	3696							
Early Childhood - Block Grant	3705		87,208					109,000
Reading Improvement Block Grant	3715	10,399	7,320	4,370	9,778	3,959		16,126
ROE/ISC Operations	3730							
Supervisory Expense	3745							
ADA Safety & Educational Block Grant	3775	3,185	1,836	1,042	3,293	1,307	1,849	5,189
Arts, Education & Foreign Language	3962							
Children Mental Health	3990							
National School Lunch Program	4210	92,239	85,934	31,248	61,399	45,795	77,552	154,086
Special Milk Program	4215	-						
School Breakfast Program	4220	25,938	32,292	12,652		8,963	24,456	45,083
IASA - Title I - Low Income	4300	79,183	158,491	89,615	73,983	34,370	65,263	116,543
IASA - Even Start	4335							
Title I Reading 1st Part	4337							
Title IV - Safe & Drug Free Schools - Formula	4400	2,529	2,309	585	1,748	768	1,569	4,503
Special Ed IDEA	4625	2,002	4,367		122	1,476		3,810
ARRA-General State Aid+-B16-Sec. 18-8	4850	383,653	117,112	116,586	323,266	148,300	309,598	586,199
ARRA-Title I-Low Income	4851	26,373	30,036	30,000	28,762	13,139	22,077	49,006
ARRA-Tech-Enhancing Education	4861							
ARRA-NSLP	4863		2,365				15,172	
ARRA-State Aid	4870	127,746	38,849	38,809	107,646	49,356	103,106	195,145
Title II - Teacher Quality	4932	25,021	48,484	10,360	32,633	9,349	24,248	46,987
Technology Enhancing Education - Formula	4971	763	1,345	676	613	245	577	1,043
I-KAN Technology Enhancing Education	4972							
Other Federal Programs	4999							
		<u>\$ 3,546,034</u>	<u>\$ 1,701,072</u>	<u>\$ 1,177,338</u>	<u>\$ 3,033,454</u>	<u>\$ 1,414,797</u>	<u>\$ 2,877,090</u>	<u>\$ 5,520,050</u>

See accompanying Independent Auditor's Report.

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, 2010

Program Description	Program Number	Central A&M CUSD #21	Edgar Chrisman CUSD #6	ROE/PDD	TAOEP Lake Land College	Bridges & Youth Services Programs	Other Programs	Total
General State Aid - Sec. 18-8	3001	\$ 2,426,453	\$ 895,655	\$ -	\$ 283,015	\$ 391,955		\$ 42,776,784
State Aid Hold Harmless	3002							118,659
Transition Assistance	3009	55,119						71,018
Sp. Ed. - Private Facility Tuition	3100	-						53,654
Sp. Ed. - Extraordinary	3105	91,715	39,725					1,632,945
Sp. Ed. - Personnel	3110	1,929	48,689					1,852,597
Sp. Ed. - Orphanage - Individual	3120	932,753						988,599
Sp. Ed. - Summer School	3145		363					363
Bilingual Ed. - Downstate - TPI & TBE	3305							13,376
Gifted Education	3350			92,948				92,948
State Free Lunch & Breakfast	3360	4,910	2,885			2,453		90,156
School Breakfast Incentive	3365	291	39			189		2,996
Driver Education	3370	8,055	4,721					177,965
Transportation - Regular & Vocational	3500	68,527	138,323					3,699,122
Transportation - Special Education	3510	106,006	53,418					1,618,000
ROE School Bus Driver Training	3520						1,375	1,375
Truants Alternative/Operational Ed.	3695					78,743		78,743
Regional Safe Schools	3696					146,322		146,322
Early Childhood - Block Grant	3705	53,698						990,736
Reading Improvement Block Grant	3715	12,988	5,064					209,656
ROE/ISC Operations	3730			59,638				59,638
Supervisory Expense	3745						7,000	7,000
ADA Safety & Educational Block Grant	3775	3,242	1,616					59,092
Arts, Education & Foreign Language	3962							8,701
Children Mental Health	3990							50,500
National School Lunch Program	4210	114,538	49,763			26,036		2,114,293
Special Milk Program	4215	723						723
School Breakfast Program	4220	26,937	27,475			15,683		575,395
IASA - Title I - Low Income	4300	92,761	53,079					2,682,965
IASA - Even Start	4335							3,519
Title I Reading 1st Part	4337							18,952
Title IV - Safe & Drug Free Schools - Formula	4400	2,766	1,108			221		52,331
Special Ed IDEA	4625							33,148
ARRA-General State Aid+-B16-Sec. 18-8	4850	404,747	149,466		47,169	65,326		7,072,407
ARRA-Title I-Low Income	4851	48,831	22,500					911,957
ARRA-Tech-Enhancing Education	4861							718,530
ARRA-NSLP	4863							17,537
ARRA-State Aid	4870	134,775	49,695		15,723	21,775		2,400,210
Title II - Teacher Quality	4932	39,497	21,809			1,556		895,544
Technology Enhancing Education - Formula	4971	879	430					26,081
I-KAN Technology Enhancing Education	4972							34,077
Other Federal Programs	4999			2,000				2,000
		<u>\$ 4,632,140</u>	<u>\$ 1,565,823</u>	<u>\$ 154,586</u>	<u>\$ 345,907</u>	<u>\$ 750,259</u>	<u>\$ 8,375</u>	<u>\$ 72,360,614</u>

See accompanying Independent Auditor's Report.

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, 2010

<u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/09-6/30/10</u>
U.S. Department of Education			
Passed through Illinois State Board of Education:			
Reading First State Grants			
Title I - Reading First Part B SEA Funds	84.357A	10-4337-00	\$ 6,893 (M)
English Language Acquisition Grants			
Other Federal Programs	84.365A	10-4999-PD	2,000
State Fiscal Stabilization Fund (SFSF) Recovery Act Cluster			
SFSF - Education State Grants, Recovery Act			
ARRA General State Aid - Federal Portion	84.394A	10-4850-92	47,169
ARRA General State Aid - Federal Portion	84.394A	10-4850-93	65,326
Total SFSF - Education State Grants, Recovery Act			<u>112,495</u>
SFSF - Government Services, Recovery Act			
ARRA General State Aid - Federal Portion	84.397A	10-4870-92	15,723
ARRA General State Aid - Federal Portion	84.397A	10-4870-93	21,775
Total SFSF - Government Services, Recovery Act			<u>37,498</u>
Total State Fiscal Stabilization Fund (SFSF) Recovery Act Cluster			<u>149,993</u>
Safe and Drug-Free Schools and Communities_State Grants			
Title IV - Safe and Drug Free School - Formula	84.186A	10-4400-00	221
Improving Teacher Quality State Grants			
Title II - Teacher Quality	84.367A	10-4932-00	1,556 (M)
Standards Aligned Classroom Statewide Professional Development (Title II - Teacher Quality - Leadership Grant)	84.367A	09-4935-00	5,180 (M)
Total Improving Teacher Quality State Grants			<u>6,736</u>
Total passed through Illinois State Board of Education			<u>165,843</u>
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	22,557 (M)
Area IV - System of Support (Title I School Improvement and Accountability)	84.010A	10-4331-SS	154,050 (M)
Total Title I Grants to Local Educational Agencies			<u>176,607</u>
Homeless Children and Youth Program	84.196A	10-4920-00	20,605
Improving Teacher Quality State Grants			
Title II - Teacher Quality	84.367A	09-4935-SS	7,896 (M)
Title II - Teacher Quality	84.367A	10-4935-SS	25,221 (M)
Total Improving Teacher Quality State Grants			<u>33,117</u>
Total passed through Regional Office of Education #32			<u>230,329</u>
Total U.S. Department of Education			<u>396,172</u>
U.S. Department of Agriculture			
Passed through Illinois State Board of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	09-4220-00	2,055
School Breakfast Program	10.553	10-4220-00	13,628
Total School Breakfast Program			<u>15,683</u>
National School Lunch Program	10.555	09-4210-00	3,468
National School Lunch Program	10.555	10-4210-00	22,568
Total National School Lunch Program			<u>26,036</u>
Total Child Nutrition Cluster passed through Illinois State Board of Education			<u>41,719</u>
Total U.S. Department of Agriculture			<u>41,719</u>
Total Expenditures of Federal Awards			<u>\$ 437,891</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, 2010

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.

2 SUBRECIPIENTS

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

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 subrecipient: \$40,308

Program title: State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act (ARRA General State Aid - Federal Portion)
Federal CFDA # 84.397A
Amount provided to subrecipient: \$13,436

3 DESCRIPTION OF MAJOR FEDERAL PROGRAM

Title I - School Improvement and Accountability - System of Support - This program is designed to provide assistance to those schools/districts that do not meet Adequate Yearly Progress (AYP) as defined by the No Child Left Behind Act.

Title I - Reading First - This program focuses on putting proven methods of early reading instruction in classroom.

Title II - Teacher Quality - This program is designed to provide training of teachers and improvement of instruction in the classroom.

Teacher Quality - Leadership Grant - Standards Alignment Classroom Statewide Professional Development - This program is designed to provide training and instructional coaching to teachers and paraprofessionals. Services are provided to school districts with schools in restructuring, corrective action and school improvement.

4 NON-CASH ASSISTANCE

None

5 AMOUNT OF INSURANCE

None

6 LOANS OR LOAN GUARANTEES OUTSTANDING

None